


The Recovery Plan and Your
Money: Five Strategies

Joe Klein Reviews
The Final Debate

Justin Fox: Guess What—The
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TIME



DOES TEMPERAMENT MATTER?

How a President's personality can determine success—or failure—in times of crisis

BY
NANCY
GIBBS



6.6 BILLION PEOPLE
NEVER SLEEP.





Dreams.

Realities.

The tower cranes are still. The backhoes are silent. And for a weary group of Guangzhou construction workers, the long work day has finally come to an end. But, in Lyon and Dubai and Delhi, the work continues for several more hours. Meanwhile, in Vancouver and São Paulo, the daily toil has only just begun. The fact is, there are 6.6 billion of us spread out across the planet. And only one financial institution has the vast depth and breadth of resources to keep pace.

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Enbrel® (etanercept) is indicated for the treatment of adult patients (18 years or older) with chronic moderate to severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

Important Safety Information

What important safety information do I need to know about taking prescription ENBREL?

ENBREL is a type of protein called a tumor necrosis factor (TNF) blocker that blocks the action of a substance your body's immune system makes called TNF. People with an immune disease, such as rheumatoid arthritis, juvenile idiopathic arthritis, ankylosing spondylitis, psoriatic arthritis, or psoriasis, have too much TNF in their bodies.

ENBREL can reduce the amount of active TNF in the body to normal levels, helping to treat your disease. But, in doing so, ENBREL can also lower the ability of your immune system to fight infections.

Serious infections, including tuberculosis (TB), have happened in patients taking ENBREL. Some of these serious infections have been fatal. Many serious infections occurred in people prone to infection. Serious infections have also occurred in patients with advanced or poorly controlled diabetes. Do not start ENBREL if you have an infection or are allergic to ENBREL or its components. Once on ENBREL, if you get an infection or have any sign of an infection, including fever, cough, or flu-like symptoms, or have

open sores, tell your doctor. Your doctor should test you for TB before starting ENBREL and should monitor you closely for signs and symptoms of TB.

Serious nervous system disorders, such as multiple sclerosis, seizures, or inflammation of the nerves of the eyes have been reported. There have been rare reports of serious blood disorders (some fatal).

In medical studies, more cases of lymphoma (a type of cancer) were seen in patients taking TNF blockers compared to similar patients who were not taking TNF blockers. The risk of lymphoma may be several-fold higher in people with rheumatoid arthritis and psoriasis; the role of TNF blockers in the development of malignancies is unknown.

FOR MODERATE TO SEVERE PLAQUE PSORIASIS

"I HAD ENOUGH OF MY PSORIASIS.

So, I asked my dermatologist about ENBREL."

For many, ENBREL gets skin clearer fast—within 2 months—and keeps it clearer month after month. Improvement lasted up to 9 months for a majority that saw results. While it doesn't work for everyone, and may not clear you completely, it's helped many patients get clearer skin. Your results may vary. In medical studies, nearly half of patients saw significant improvement.

Learn more about moderate to severe plaque psoriasis, ENBREL, and patient support.
Call 1-877-ENBREL4 or visit www.enbrel.com

Talk to your dermatologist today about ENBREL.
BECAUSE ENOUGH IS ENOUGH.

Tell your doctor if you:

- Think you have, are being treated for, have signs of, or are prone to infection
- Have any open sores
- Have or have had TB or hepatitis B
- Have ever been treated for heart failure
- Have ever had or develop a serious nervous system disorder
- Develop symptoms such as persistent fever, bruising, bleeding, or paleness while taking ENBREL

Common side effects in adult clinical trials were injection site reaction, infection and headache.

If you have any questions about this information, be sure to discuss them with your doctor. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

Please see Medication Guide on the following page.



Medication Guide ENBREL® (en-brel) (etanercept)



Read the Medication Guide that comes with ENBREL® before you start using it and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking with your doctor about your medical condition or treatment with ENBREL®.

What is the most important information I should know about ENBREL®?

ENBREL® is a medicine that affects your immune system. ENBREL® lowers the ability of your immune system to fight infections. Serious infections, including tuberculosis (TB), have happened in patients taking ENBREL®. Some patients have died from these serious infections.

Before starting ENBREL®, tell your doctor if you:

- think you have an infection
- are being treated for an infection
- have signs of an infection, such as a fever, cough, flu-like symptoms
- have any open sores on your body
- get a lot of infections or have infections that keep coming back
- have diabetes or an immune system problem. People with these conditions have a higher chance for infections.
- have tuberculosis (TB), or if you have been in close contact with someone who has had tuberculosis
- Your doctor should test you for TB before starting ENBREL®
- Your doctor should monitor you closely for signs and symptoms of TB during treatment with ENBREL®
- use the medicine Kineret® (anakinra)
- have or have had hepatitis B

After starting ENBREL®, if you get an infection, any sign of an infection including a fever, cough, flu-like symptoms, or have any open sores on your body, call your doctor right away.

ENBREL® can make you more likely to get infections or make any infection that you may have worse.

What is ENBREL®?

ENBREL® is a medicine called a Tumor Necrosis Factor (TNF) blocker. ENBREL® is used in adults to treat:

- **moderately to severely active rheumatoid arthritis (RA).** ENBREL® can be used alone or with a medicine called methotrexate.
 - **psoriatic arthritis.** ENBREL® can be used with methotrexate in patients who have not responded well to methotrexate alone.
 - **ankylosing spondylitis (AS)**
 - **chronic, moderate to severe psoriasis**
- ENBREL® is used in children ages 2 years and older to treat **moderately to severely active polyarticular juvenile idiopathic arthritis (JIA).** ENBREL® has not been studied in children under 2 years of age.

ENBREL® can help reduce joint damage, and the signs and symptoms of the above mentioned diseases. People with these diseases have too much protein called tumor necrosis factor (TNF), which is made by your immune system. ENBREL® can reduce the amount of TNF in the body to normal levels and block the damage that too much TNF can cause, but it can also lower the ability of your immune system to fight infections. See "What is the most important information I should know about ENBREL®?" and "What are the possible side effects of ENBREL®?"

Who should not use ENBREL®?

Do not use ENBREL® if you:

- have an infection that has spread through your body (sepsis)
- have ever had an allergic reaction to ENBREL®

What should I tell my doctor before starting ENBREL®?

ENBREL® may not be right for you. Before starting ENBREL®, tell your doctor about all of your health conditions, including if you:

- **have an infection.** See "What is the most important information I should know about ENBREL®?"

- **have seizures, any numbness or tingling, or a disease that affects your nervous system such as multiple sclerosis**
- **have heart failure**
- **are scheduled to have surgery**
- **are scheduled for any vaccines.** All vaccines should be brought up-to-date before starting ENBREL®. Patients taking ENBREL® should not receive live vaccines.
- **are allergic to rubber or latex.** The needle cover on the single-use prefilled syringe and the single-use prefilled SureClick™ autoinjector contains latex.

Tell your doctor if you are pregnant, planning to become pregnant, or breastfeeding. ENBREL® has not been studied in pregnant women or nursing mothers.

Pregnancy Registry: Amgen has a registry for pregnant women exposed to ENBREL®. The purpose of this registry is to check the health of the pregnant mother and her child. Talk to your doctor if you are pregnant and contact the registry at 1-877-311-8972.

Tell your doctor about all the medicines you take including prescription and nonprescription medicines, vitamins and herbal supplements. Your doctor will tell you if it is okay to take your other medicines while taking ENBREL®. Especially, tell your doctor if you take:

- Kineret® (anakinra). You have a higher chance for serious infections when taking ENBREL® with Kineret®.
- cyclophosphamide. You may have a higher chance for getting certain cancers when taking ENBREL® with cyclophosphamide.

Know the medicines you take. Keep a list of them to show your doctor and pharmacist each time you get a new medicine.

How should I use ENBREL®?

See the Patient Instructions for Use that comes with your ENBREL® product for complete instructions. ENBREL® is available as:

- ENBREL® Single-use Prefilled Syringe
- ENBREL® Single-use Prefilled SureClick™ Autoinjector
- ENBREL® Multiple-use Vial
- ENBREL® is given by injection under the skin
- Make sure you have been shown how to inject ENBREL® before you do it yourself. Someone you know can also help you with your injection.
- Your doctor will tell you how often you should use ENBREL®. This is based on your condition to be treated.
- **Do not use ENBREL® more often than prescribed.**
- Do not miss any doses of ENBREL®. Call your doctor if you miss a dose of ENBREL®. Your doctor will tell you when to take your missed dose.
- Your child's weekly dose of ENBREL® depends on his or her weight. Your child's doctor will tell you which form of ENBREL® to use and how much to give your child.

What are the possible side effects of ENBREL®?

Serious side effects have happened in people taking ENBREL®, including:

- **Serious infections including tuberculosis (TB).** See "What is the most important information I should know about ENBREL®?"
- **Nervous system problems** such as Multiple Sclerosis, seizures, or inflammation of the nerves of the eyes have occurred in rare cases. Symptoms include numbness or tingling, problems with your vision, weakness in your arms and legs, and dizziness.
- **Blood problems.** In rare cases, your body may not make enough of the blood cells that help fight infections or help stop bleeding. This can lead to death. Symptoms include a fever that doesn't go away,

- bruising or bleeding very easily, or looking very pale.
- **Heart failure including new heart failure or worsening of heart failure you already have.** Symptoms include shortness of breath or swelling of your ankles and feet.
- **Allergic reactions.** Signs of an allergic reaction include a severe rash, a swollen face, or trouble breathing.
- **Immune reactions including a lupus-like syndrome.** Symptoms include a rash on your face and arms that gets worse in the sun. Symptoms may go away when you stop taking ENBREL®.
- **Lymphoma (a type of cancer).** People with rheumatoid arthritis or psoriasis may have a higher chance for getting lymphoma.

Call your doctor right away if you develop any of the above symptoms.

Common side effects of ENBREL® include:

- **Injection site reactions** such as redness, rash, swelling, itching, or bruising. These symptoms usually go away within 3 to 5 days. If you have pain, redness or swelling around the injection site that doesn't go away or gets worse, call your doctor.
- **Upper respiratory infections** (sinus infections)
- **Headaches**

These are not all the side effects with ENBREL®. Ask your doctor or pharmacist for more information.

How should I store ENBREL®?

- Store ENBREL® in the refrigerator at 36° to 46°F (2° to 8°C).
- **Do not freeze.**
- Keep ENBREL® in the original carton to protect from light.
- **Keep ENBREL® and all medicines out of the reach of children.**

General Information about ENBREL®

Medicines are sometimes prescribed for purposes not mentioned in a Medication Guide. Do not use ENBREL® for a condition for which it was not prescribed. Do not give ENBREL® to other people, even if they have the same condition. It may harm them and it is against the law.

This Medication Guide summarizes the most important information about ENBREL®. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about ENBREL® that was written for healthcare professionals. For more information call 1-888-4ENBREL (1-888-436-2735).

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

What are the ingredients in ENBREL® Single-use Prefilled Syringe and the Single-use Prefilled SureClick™ Autoinjector?

Active Ingredient: etanercept

Inactive Ingredients: sucrose, sodium chloride, L-arginine hydrochloride and sodium phosphate

What are the ingredients in ENBREL® Multiple-use Vial?

Active Ingredient: etanercept

Inactive Ingredients: mannitol, sucrose, tromethamine.

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Manufactured by: Immunex Corporation,
Thousand Oaks, CA 91320-1799

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Wyeth Pharmaceuticals**

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To Our Readers

Taking the Temperature.

In the campaign homestretch, TIME—with some wise friends—sizes up the qualities we should look for in a President

IN MARCH 1933, A FEW DAYS AFTER his Inauguration as President, Franklin Roosevelt left the White House to pay his respects to 92-year-old former Supreme Court Justice Oliver Wendell Holmes Jr. The amiable Roosevelt and the dour Holmes chatted, and after F.D.R. left, Holmes supposedly remarked that the new President had a "second-class intellect but a first-class temperament." Many historians now believe that Holmes was talking about Teddy Roosevelt rather than Franklin, but the story is oft told because it suggests a larger truth: that the most important attribute of a President is not intellect but something both more familiar and less knowable—temperament. The job of the modern presidency is so complex, so taxing, so intense that one's disposition even more than one's mental bandwidth may be the key to handling the job.

The anecdote has fostered a mix-and-match parlor game. Nixon: first-rate mind, second-class temperament. Reagan: second-rate mind, first-class temperament. Perhaps only Lincoln tops the class in both categories. But as we go down the homestretch in this presidential election, voters seem to be making up their minds as much by evaluating the dispositions of the candidates as their position papers. Voting for President is the most intimate vote we ever make; we're deciding whom we want in our living room for the next four years.

To try to find the keys to presidential temperament, our assistant managing editor Michael Duffy, along with Lisa Todorovich from the Miller Center of Public Affairs at the University of Virginia, organized a roundtable of presidential-historians: Richard Norton Smith, who has run five presidential libraries, Beverly Gage of Yale, and David Coleman and Russell Riley of the Miller Center. Excerpts from their conversation follow Nancy Gibbs' wise and penetrating cover story. You can listen to the whole thing on TIME.com.

THE PRESIDENTIAL RACE WAS THE SUBJECT of a fascinating media conference Oct. 13-14 presented by Time Warner and co-hosted by TIME and CNN. A series of roundtables probed everything from politi-



Shaping the conversation
Talking politics with presidential historians, above, and at Time Warner's Politics 2008 conference, left



Visual journey
Planet Earth: An Illustrated History, left, captures the world's beauties

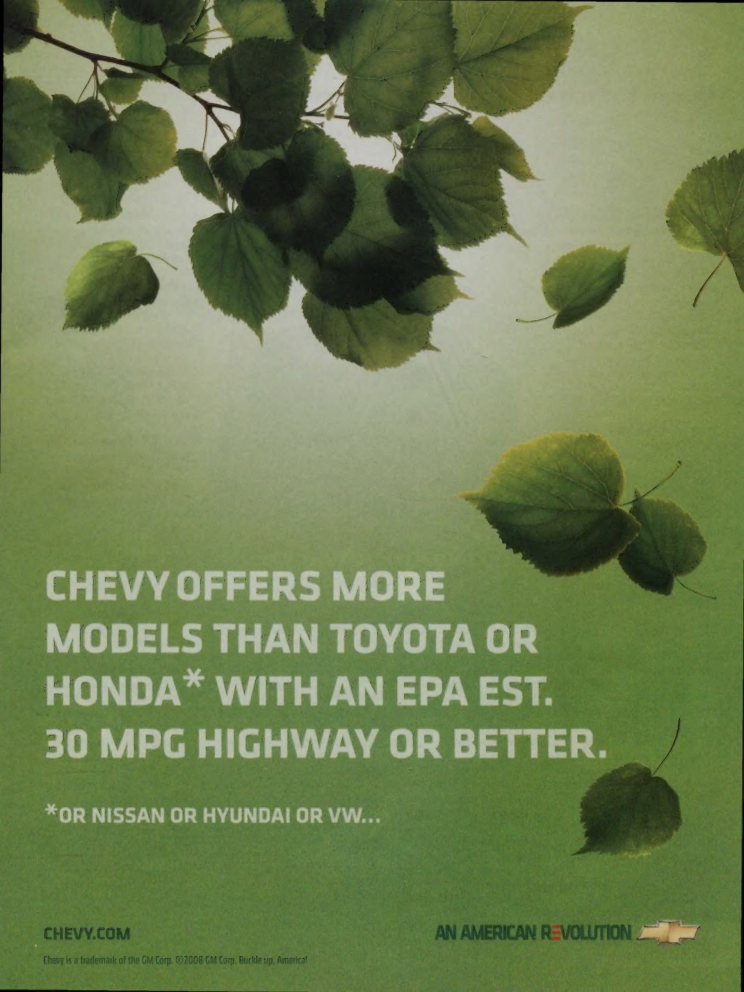
cal advertising and polling to the role of media. The event featured names such as TIME's Joe Klein, Romesh Ratnesar, Mark Halperin and Karen Tumulty and CNN's Campbell Brown, Christiane Amanpour and Wolf Blitzer—as well as dozens of other heavyweights from the worlds of media and politics, including *Vanity Fair* editor in chief Graydon Carter, New York Times columnist Frank Rich, former

ambassador Richard Holbrooke and Republican strategist Mark McKinnon.

ON OCT. 14, TIME PUBLISHED *Planet Earth: An Illustrated History*, a captivating visual journey of the world's sciences and unending beauty. Earth is for the living, said Jefferson, and this book is for you. And speaking of books, congratulations to TIME contributor and former correspondent Aravind Adiga, whose astonishing first novel about India, *The White Tiger*, won this year's Man Booker Prize.

Rich

Richard Stengel, MANAGING EDITOR



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10 Questions.

The actress and rapper stars in *The Secret Life of Bees*, currently playing. **Queen Latifah will now take your questions**

Where did the name Queen Latifah come from?

Andy Cleveland
GRAND RAPIDS, MICH.

My birth name is Dana Owens. Latifah is a nickname that I chose when I was about 8. It means delicate, sensitive. I was kind of big as a kid, but I felt that name fit me. Later, when I was about to sign a record contract, I didn't want to be MC Latifah. So I decided on Queen.

What prompted your move from music to acting?

Victor Anazodo
LAGOS, NIGERIA

My mom taught me to never put all my eggs in one basket. I figured if I wasn't the best rapper, then I shouldn't completely rely on rap. Will Smith was also a big inspiration. We grew up on the road together and toured a lot. When he went out and got *The Fresh Prince of Bel-Air*, it made us feel like we could do it too.

How has hip-hop changed since you first started?

Amy Sandberg
COLUMBUS, OHIO

I think people got the message when Nas said [in the title of his 2006 album] *Hip Hop Is Dead*. There was just a lack of creativity, a lack of fresh energy in the music. When people don't stretch and expand and try different things, music gets boring. That's what hip-hop was suffering from—a bad case of monotony.

Will you ever make another rap album?

Muniqui Muhammad
SENDAI, JAPAN

Absolutely, and it's done. It should be coming out in



January. I've been working with Cool and Dre, who are some of the biggest hip-hop producers right now. The album is hot. It's called *All Hail the Queen II*.

Of all your roles, what has been your favorite one?

Caylea Johnson
KANSAS CITY, KANS.

[Bank robber Cleopatra Sims in] *Set It Off*: Going to work every day with Jada Pinkett and Kim Elise and Vivica A. Fox, shooting guns and driving cars, was just a lot of fun. Plus, it was kind of controversial because I played a character who was gay. People were like, "You gonna kiss a girl? In a movie?" People were against it, but I knew I could do something special with that role.

Did your Oscar nomination for *Chicago* change your career path?

Charmaine Robinson
OKLAHOMA CITY

No. I like to choose roles that are different from one to the next. I did *Scary Movie* after I got nominated. Some people might not have done that, but the kids gotta get their Oscar-nominated actresses too.

Are you reluctant to be touted as a role model for women with "real bodies"?

Catherine Desoe
NEW YORK CITY

No. I'm thankful. I had a guy tell me that his 12-year-old daughter has a beautiful voice, but she's afraid to sing because her classmates would tease her. But by seeing me—and

she looked more like me—she started singing again, saying "If Queen Latifah can do it, I can do it."

Is there a glass ceiling for women of color in Hollywood?

Irina Perju, THE HAGUE

America can be a very male-dominated place sometimes, so there's a challenge, as a woman, to achieving the heights. Still, I'm going to say no. There's nothing we can't make it past.

What do you miss most from before you were famous?

Vanessa Bravo
GAINESVILLE, FLA.

I miss anonymity. Now everybody knows my face, so I can't just do whatever I want. I can't pass out drunk on the ground after leaving the club, speaking gobbledygook. Because guess what? Somebody's got a camera phone, and it's on YouTube in 20 seconds.

It seems that you're often expected to be an advocate for various segments of society. How do you feel about that?

Mark Cropper
NEWNAN, GA.

There's no way I can represent for everyone. I can't represent for all women or all big women or all black women. It's important for people not to make celebrities their source of who they should be in life. I can't take on the pressure of being perfect. Nobody is. ■



VIDEO AT TIME.COM

To watch a video interview with Queen Latifah

and to subscribe to the 10 Questions podcast on iTunes, go to time.com/10questions



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SAVORING THE DAWN
OF A NEW DAY.**



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BOSCH

Postcard: **Lame Deer.** On reservations nationwide, tribal colleges are teaching Native Americans what other schools don't. **Sharpening minds at Chief Dull Knife College**

BY RICHARD B. STOLLEY

Global Dispatch
For a new postcard from around the world every day, visit time.com

IT'S NATIVE AMERICAN AWARENESS Week in Lame Deer, Mont., and time for the Clean Indian Joke Contest. At many schools, the week is a serious occasion; at Chief Dull Knife College, it's a lighthearted celebration with a chili cook-off, art show, tepee raising competition and a stick-horse race for adults.

The winning joke is from a 12-year-old Northern Cheyenne boy: "Three men are riding in a pickup—two in the cab, one in back. The truck falls into the river. The two men open their doors and swim out but can't find the third man. Finally, he comes up. 'What took you so long?' they ask. 'I couldn't open the tailgate,' he says."

The self-deprecating humor is familiar to the 4,500 residents of this beautiful, barren 450,000-acre (182 hectare) reservation. Irony is almost unavoidable because the realities of life here are grim. According to school officials, nearly half of all families exist below the poverty line. Unemployment runs as high as 85%. Alcohol and drug abuse are appalling.

The bright spot is Chief Dull Knife College, named for a Northern Cheyenne hero and fervent advocate for education. It and 36 other tribal colleges and universities, with a total of about 27,000 students, are a little-known part of American higher education. Like the other colleges, Chief Dull Knife was founded in the 1970s in protest over the curriculums that white institutions offered. "There was no connection with the reality at home," says its president, Richard E. Littlebear. The Indian students often had to endure racial cruelty too. "They called us 'prairie niggers,'" recalls one.

Chief Dull Knife College is small—only 141 full-time students, although a few hundred more attend workshops or study part time. The median age is in the upper 20s; some students have worked to raise money for college, while others needed time to deal with addiction and, in some cases, the law.



Extra credit Single mom Jennifer Wooden Legs, right, says college helped turn her life around

Isaiah Stotler spent seven months of his 18th year in the reservation jail for a variety of offenses tied to his drinking. "I had a major problem with being told what to do," he admits, "but I finally swallowed it." He cut his drinking to an occasional beer, qualified for college by passing a GED test and enrolled. "My record says I'm a drug dealer and gangbanger," he says. "But my transcript says that I'm getting all A's. I proved that people can change."

Courses at Chief Dull Knife are similar to those at any community college—English, history, math—but with a unique Northern Cheyenne flavor. Reading includes books like *Cheyenne Autumn*, a highly praised 1953 novel about the tribe's 1878-79 return to Montana after exile in Oklahoma. History classes teach America as experienced by both whites and Native Americans. Part of the curriculum is devoted to Northern Cheyenne culture and its complex language, which is still spoken by a few elders but almost no students. For decades, reservation schools were strictly English-only. The chairman of the Dull Knife board, John Wooden Legs, 60,

remembers the punishment for speaking Cheyenne: "I had to kneel on beans for half an hour or stand in a corner with a bar of soap in my mouth."

Littlebear, 68, has a doctorate in education from Boston University and is fluent in Cheyenne; he teaches evening courses in it. He refers to tribal colleges as "underfunded miracles." With a meager \$4.9 million budget provided mostly by the Federal Government, his school operates on a thin shoestring indeed. But Chief Dull Knife College perseveres, holding out hope for a new generation of Northern Cheyennes. More than half its graduates now go on to four-year schools. One of them is Jennifer Wooden Legs, 29, daughter of the college-board chairman, whose academic career was postponed by five horrific years of meth addiction. ("Very awful stuff, very hard to get over," she says.) Jennifer, a single mother, will graduate next June, and plans to study psychology at Montana State University in Billings and then "come back and help." Chief Dull Knife College, she says, "turned around my idea that I couldn't make something of myself or give my kids a better life. I'm still surprised. I never thought I'd be here."





Are you taking FLOMAX

for urinary symptoms due to BPH,
also known as an enlarged prostate?

Remember, BPH is a chronic condition, and if its bothersome symptoms are left untreated, they are likely to get worse. Symptoms such as:

- ▶ Weak stream
- ▶ Stopping and Starting
- ▶ Going urgently
- ▶ Waking up to go

For many men, FLOMAX reduces male urinary symptoms due to BPH in one week.

**Continue to take FLOMAX as directed
by your doctor, once a day, every day.**

**Tear off your FLOMAX
Savings Coupon now!**

Important Safety Information

Only your doctor can tell if you have BPH, not a more serious condition like prostate cancer. Avoid driving or hazardous tasks for 12 hours after your first dose or increase in dose, as a sudden drop in blood pressure may occur, rarely resulting in fainting. If considering cataract surgery, tell your eye surgeon you've taken FLOMAX. Common side effects are runny nose, dizziness and decrease in semen.

You are encouraged to report negative side effects of prescription drugs to the FDA.

Visit www.fda.gov/medwatch or call 1-800-FDA-1088.

Please see Important Patient Information on following page.

FLOMAX[®]
TAMBULOSIN HCl
CAPSULES 0.4 MG

FLOMAX[®]

TAMSULOSIN HCl CAPSULES 0.4 MG

IMPORTANT PATIENT INFORMATION

What is FLOMAX?

FLOMAX is a prescription medication that is specifically designed to help relieve the signs and symptoms of *benign prostatic hyperplasia (BPH)*, a condition your physician may refer to as an enlarged prostate. FLOMAX works by relaxing the prostate muscles around the urethra, allowing urine to flow more freely out of the bladder. FLOMAX is NOT indicated for the treatment of high blood pressure.

Who should not use FLOMAX?

You should not take FLOMAX if you are allergic to tamsulosin hydrochloride or any other component of FLOMAX.

What should I know while taking FLOMAX?

- Only your doctor can tell if you have BPH and not a more serious condition, such as prostate cancer.

An enlarged prostate (BPH) and cancer of the prostate cause many of the same symptoms. It is important that you see your doctor first to rule out prostate cancer.

- FLOMAX may cause a sudden drop in blood pressure, especially following the first dose or when changing doses.** Such a drop in blood pressure, although rare in occurrence, may be associated with fainting, dizziness, or lightheadedness.

You should avoid driving or hazardous tasks for 12 hours after the initial dose or after your doctor recommends an increase in dose.

- During cataract surgery, a condition known as intraoperative floppy iris syndrome (IFIS) has been observed in patients treated with drugs in this class. When considering cataract surgery, inform your surgeon if you are taking or have taken FLOMAX and/or other drugs in this class.
- Though extremely rare, FLOMAX and other drugs in this class (alpha-1 blockers) have been associated with prolonged painful erection (priapism), which is unrelieved by sex. If this occurs, seek immediate medical attention, since this condition can lead to permanent inability to have an erection, if left untreated.
- FLOMAX should NOT be used in combination with other drugs in its class since interactions may be expected.
- FLOMAX should be used with caution in combination with cimetidine or with warfarin (a drug often prescribed under the brand name Coumadin[®] [Bristol-Myers Squibb Company]).
- If you have had a serious reaction to sulfa, be sure to tell your doctor before taking FLOMAX.

What are the most common side effects of FLOMAX?

The most common side effects are dizziness, runny nose and a decrease in semen. Other side effects include headache and tiredness.

How should I take FLOMAX?

FLOMAX 0.4 mg capsules are taken once daily. FLOMAX should be taken approximately one-half hour after the same meal each day. If you stop or forget to take FLOMAX for several days, start again with the 0.4 mg once-daily dose. If you were previously on a higher dose, contact your doctor before returning to the higher dose.

Do not crush, chew, or open FLOMAX capsules.

What about overdosing with FLOMAX?

You should always take your medications according to the directions given by your doctor. If you think you have taken an overdose of FLOMAX capsules, contact your doctor immediately.

Still have questions?

For more information, ask your doctor or pharmacist, call 1-866-432-9734, and/or visit www.4FLOMAX.com.

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Depression Hurts

THE END OF WHAT PROSPERITY [Oct. 13]? For more than 20 years, working- and middle-class Americans have seen their jobs go overseas, wages diminish and savings disappear; they've had retirement funds stolen by companies going bankrupt or merging, and health care made unavailable as a result of cost. Suggesting that borrowing to live is the cause of the Wall Street collapse when the 400 richest people in the U.S. have as much money as several million average citizens shows ignorance of the greed and avarice controlling this country.

Paul A. Heller, WASHINGTON, MICH.

NOWHERE DOES NIAL FERGUSON INFORM readers that under the Clinton Administration, the Internal Revenue Service began giving out Individual Taxpayer Identification Numbers to assist illegal aliens in paying taxes, which also enabled them to take out home loans. Previously, a valid U.S. Social Security number was required to purchase a home, thereby excluding illegal immigrants from qualifying for such loans. Every media feature on the bursting of the housing bubble describes decimated neighborhoods in Florida, Arizona and California—all areas with large populations of illegal aliens—but no one tells us about the government's change in regulations that may have helped bring this situation about.

Kathryn Bell, FRISCO, TEXAS

'Paul Newman lives on in his accomplishments and the many lives he influenced—and will continue to, through all he's left behind.'

Mel Maurer, WESTLAKE, OHIO

More than a movie idol *The levelheaded Newman—actor, racer, philanthropist, East Coast family man—built a reputation that transcended Hollywood*

YOUR COVER IS A DIRECT INSULT TO THOSE who lived through the Depression. If we can still spend \$300 on an iPod, times can't be so bad. Yes, the economy is slowing, but not as severely as TIME has illustrated.

John Nicoletti, NAPLES, FLA.

Bailout 101

I AM A HIGH SCHOOL GIRL WHO USUALLY flips straight to the Arts section of TIME, but I read Justin Fox's Q&A about the bailout, and I think it was really smart to bail it down that way [Oct. 13]. Even I understood most of it. Still, for me, the obese elephant in the room is the question of where all the money went in the first place!

Sara Makaretz, YARMOUTH, MAINE

I'M SHOCKED YOU WOULD PLACE SO LITTLE blame on the people who borrowed more money on their homes than they could possibly pay back. I agree that the lenders were silly and that Congress should not have strongly encouraged such lending. Yet people effectively became speculators in home values rather than homeowners borrowing to finance a purchase.

Peter Sallerson, NEW YORK CITY

ONCE UPON A TIME, THE MANTRA WAS, Get a job, maybe two, and save. Building a cash reserve was required to obtain decent credit. One's work and savings history became one's credit rating. Why should we bail out lenders unless they

TRICKLE-DOWN GLUTTONY

KUDOS TO NANCY GIBBS ON HER ESSAY [Oct. 13]. As an early baby boomer, I was raised on the stories of thrift and sacrifice that came from my parents, who had grown up during the Depression and

World War II. When George W. Bush suggested that the way to be patriotic after 9/11 was to go shopping, I was appalled. We have seen that message repeated over and over—including two incentive checks from our government so we could spend even more money we didn't really have. So excuse me if I have a hard time believing that it is either the "evil bankers" or the "irresponsible home buyers" who are to blame for the present mess.

Kathy Hornsby, CARROLLTON, GA.

can perform reasonable risk assessments? Lenders once insisted that consumers demonstrate a responsible financial history before lending. What has happened to this commonsense approach?

Susan Staudt, WAUKESHA, WIS.

Newman's Own Legend

I ENJOYED READING ROBERT REDFORD'S tribute to Paul Newman but was disappointed that Redford felt the need to interject so much about himself [Oct. 13]. He should have kept the focus entirely on his exceptional and talented friend.

Mary Knaus LeCluyse, LEAWOOD, KANS.

I'M GLAD I DIDN'T KNOW PAUL NEWMAN. It is hard enough to lose him, as millions of us did, as the fine actor that he was and as an example of what we Americans should be. Take care of yourself, Mr. Redford. You're too good to lose.

Hunter A. Poole Sr., RALEIGH, N.C.

The Frugal Life

I COMMEND NANCY GIBBS FOR USING HER column to state what we are unlikely to hear from any elected official: that thrift is an important virtue and that our failure to practice it has helped bring on the current economic collapse [Oct. 13]. Those who lived through the Great Depression endured a scare that prompted them to



Inbox

scrimp and save, something the current generation does not do. Now Americans generally believe they are entitled to what ever they want without regard to whether they can afford it. The list of what we have come to consider necessities would stand those from most other parts of the world.

Oren Spiegler, UPPER ST. CLAIR, PA.

Maverick vs. Cool Hand Luke

JOE KLEIN'S PIECE ON OBAMA'S SKILLS IN crisis management shows how blind he is [Oct. 13]. Obama speaks with calmness simply because he doesn't know what to say, while McCain speaks with anger because he has so much to say. McCain is angry at what the Democrats and the Wall Street executives have done to deceive the American people. I pray that the American people will listen to McCain's anger and endorse what he will do as President: freeze spending and cut pork-barrel and other unnecessary spending. These steps are essential for the American people.

John Talerico, MIDDLETOWN, N.J.

WE HAVE HAD THE COWBOY. WE DON'T need the maverick sheriff with his "have gun, will travel" foreign policy. Our

problems cannot be solved in a quick-draw contest. It is time for all Americans to accept personal responsibility for our part in what is happening to our country. We must vote and then pay attention to what our elected officials do. We all need to become better crisis managers of our own personal lives and finances, and of the natural resources of our world.

Linda Bracken, WAGONER, OKLA.

'Bravo, Congress! You have now proved that we have socialism for the wealthy and capitalism for the rest of us ordinary citizens.'

Marco Tulio Sanchez, SAN FRANCISCO

The Palin Mystique

MICHAEL WEISSKOPF AND NATHAN THORNBURGH'S "Pipeline to Nowhere?" enlightened me on several levels [Oct. 13]. First, although paying her constituency understandably enhances Sarah Palin's popularity, it chafes me a bit. Doesn't Alaska belong to all of us? Why should part of the price I pay at the gas pump go into an Alaskan's pockets

just because she lives there? Second, the story demonstrates Palin's worthiness to be McCain's running mate, since they both overstate their accomplishments.

Vince Sigman, MALTA, OHIO

The Public Mistrust

RE MICHAEL GRUNWALD'S PIECE ON HOW Washington failed us: I'm neither Republican nor Democrat, and I am disgusted with both [Oct. 13]. Both presidential candidates want to blame Wall Street, and there is surely some merit to that. But the heart of the problem rests with Freddie Mac and Fannie Mae, two quasi-government corporations. Despite several attempts by legislators to call attention to the impending crisis, lawmakers like Senator Christopher Dodd—the No. 1 recipient of campaign contributions from Fannie and Freddie—preached the soundness of these institutions. This is not a failure of the free-market system; it is the failure of big government and its manipulations.

Jim Vance, BIRMINGHAM, ALA.

Your Wrist, Your Cause

"A BRIEF HISTORY OF: BRACELETS" WAS interesting, but as a breast-cancer survivor, I found the omission of the pink bracelet



STRAIGHT UP.

Inbox

insensitive to thousands of women, men, families and friends who have experienced or will experience this disease [Oct. 13].

Debby Tompkins, WESTFIELD, MASS.

YOU LEFT OUT THE MOST IMPORTANT bracelet. And October is Breast Cancer Awareness Month! One woman receives a breast-cancer diagnosis every three minutes, and one woman dies from it every 13 minutes. We should remember this in October and every day.

Sharon Stinson, BOSSIER CITY, LA.

MY WIFE AND I READ *TIME*'S ARTICLE about hero bracelets with great interest. These bracelets were very special to us during the 14-month period our son Michael was deployed in Iraq. When I told people I was getting the bracelets, everyone seemed to want one. So Chris Greta produced 300 bracelets with Mike's name on them. Our family, friends and co-workers found they helped them to remember Mike and pray for him and the rest of the troops. Thankfully, Mike and his cavalry unit are back home safely. We wear our bracelets with pride in honor of those who do so much for us.

Matthew Barany Sr., WOODBRIDGE, N.J.

The New Face of Tuberculosis

YOUR POIGNANT, POWERFULLY ILLUSTRATED piece on tuberculosis reminded me of pictures from history books about the 1918 Spanish-flu outbreak [Oct. 13]. Why is the world still ignoring this deadly disease? Thank you, *TIME*, for reminding us that TB should be a greater medical priority than advances in cosmetic surgery. I hope the pharmaceutical industry can engineer new drugs against this killer.

Aniee Sarkissian, GLENDALE, CALIF.

Stop Falling All over High Heels

"HEELING POWER" GIVES VARIOUS EXPLANATIONS for why women choose to wear stiletto heels but ignores serious and feminist analyses of the sources of this so-called choice [Oct. 13]. The style can be viewed as analogous to the old Chinese tradition

of foot binding in its restrictions on comfort, mobility and even safety in the name of a socially constructed "femininity." I will never wear them. Does pole-dancing also signal this convergence of feminine beauty and authority?

Cerise Morris, MONTREAL

Growing Pain or Comeback Kid?

KIRK CAMERON TOPPED YOUR POP CHART as most shocking for his role in *Fireproof*, a movie that promotes fidelity [Oct. 13]. The copy quips, "Don't call it a comeback. Because it's not." I believe it is an important comeback. *Fireproof* is an independent film that has the potential to help restore relationships and give real hope. When was the last time Hollywood offered that?

Michelle Radford, GREENVILLE, S.C.

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Fidelity Intermediate Government Income Fund (FSTGX) Short-Intermediate U.S. Government/48, 44, 31		91	98	97

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Briefing

THE WORLD VERBATIM THE PAGE HISTORY

POP CHART MILESTONES

Drawing Room
PAGE 24



The Moment

10/14/08: Afghanistan

THE WAR IN AFGHANISTAN is not going well. But don't take our word for it. "We're not going to win this war," rues Brigadier Mark Carleton-Smith, Britain's top commander in Afghanistan. The current strategy is "doomed to fail," says the British ambassador Sir Sherard Cowper-Coles. The latest U.S. National Intelligence Estimate notes that the country is in a "downward spiral." Since May, some 180 coalition troops have died in Afghanistan, compared with 120 in Iraq. On Oct. 14,

four more NATO soldiers were killed by a roadside bomb.

Both Barack Obama and John McCain want to increase the 33,000-person U.S. military presence, but pacifying a country so large and unruly will require hundreds of thousands of troops that the U.S. doesn't have. And so no less a figure than General David Petraeus has endorsed a wholly different solution: negotiating with the Taliban. "You have to talk to enemies," Petraeus said on Oct. 8. "This is how you end

these kinds of conflicts."

That policy would appear to have the support of Obama—who has said that as President, he would meet "with anyone at the time and place of my choosing"—though not of McCain, who cites Petraeus

Afghanistan is in a 'downward spiral.' So what should be done?

as an ally every day on the campaign trail but whose running mate, Sarah Palin, has called negotiating with rogue regimes "beyond naive."

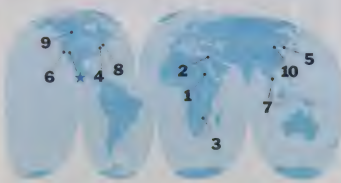
There's another word for this naiveté: realism. Though he rarely admits it, President

Bush has made realism the centerpiece of his second term, dispatching envoys to sit down with Sunni insurgents in Iraq, the Stalinist leadership in North Korea and the theocrats of Iran. The results have been mixed at best, and no one believes the Taliban will give up as soon as the U.S. breaks bread with them. But the alternative—endless conflict and occupation—is worse. The next President will take office in an age of dwindling resources, diminished U.S. influence and a public weary of war. Invoking John F. Kennedy, Obama says, "Strong countries... speak with their adversaries." Wounded ones don't have a choice.

—BY ROMESH RATNESAR

The World

10 ESSENTIAL STORIES



Janjaweed attacks are blamed for civilian deaths in Darfur and neighboring Chad

1 | Khartoum

Sudan's Most Wanted

Sudanese officials confirmed Oct. 13 that they had arrested notorious *janjaweed* militia leader Ali Muhammad Ali Abd-al-Rahman, also known as Ali Kushayb. The International Criminal Court (icc) charged Kushayb with crimes against humanity in 2007 for orchestrating militia attacks in the Darfur region that led to the rape and murder of civilians and the destruction of entire villages. But given that Sudan's government had previously ignored orders to extradite Kushayb, its sudden willingness to cooperate raises suspicion that his arrest may have been merely an attempt to ease international pressure on Sudanese President Omar Hassan al-Bashir—whom the icc has also recently accused of war crimes and genocide in Darfur.

2 | Damascus

Love Thy Neighbor

In a joint statement on Oct. 15, one day after Syrian President Bashar al-Assad issued a decree formally recognizing Lebanese sovereignty, Syria and Lebanon formally established diplomatic ties for the first time since both nations gained their independence in the 1940s. Political and military tensions between the two countries have increased in recent years amid a string of assassinations of anti-Syrian Lebanese officials. International observers are hopeful that the normalization of relations will help bring stability to the region.

3 | Zimbabwe

Power Struggle Continues

On Oct. 14, Zimbabwe's Parliament held its first working session since the highly disputed election between President Robert Mugabe and opposition leader Morgan Tsvangirai early this year. But power-sharing negotiations have hit setbacks, as Tsvangirai threatened to back out of talks after Mugabe unilaterally appointed his loyalists to vice-presidential posts.

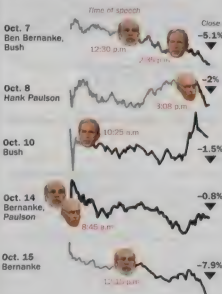


Mugabe, left, celebrates with new Vice Presidents Joseph Msika and Joyce Mujuru

4 | Washington

Worrying Words for the Market

As they scramble to soothe panicked traders, George W. Bush and his financial team might consider a strategy of silence—at least during market hours. A look at their recent speeches suggests that saving their remarks for after the 4 p.m. closing bell might be a bit easier on the Dow.



5 | North Korea

Game On?

Just days after being removed from a U.S. blacklist of states that sponsor terrorism, North Korea told the International Atomic Energy Agency that it would resume dismantling its Yongbyon nuclear reactor and would welcome international inspectors, ending nearly two months of stalled talks and threats of a second nuclear test. The announcement drew praise from China, which had led disarmament negotiations among the U.S., North Korea and its regional neighbors. Meanwhile, officials in Pyongyang released a purportedly recent photograph of Dear Leader Kim Jong Il, in an attempt to refute rumors of his failing health. But experts in South Korea and the U.S. say summer foliage in the background indicates that the pictures are months old, raising further questions about the reclusive leader, who has not been seen in public since Aug. 14.

Numbers:

2

Number of days Venezuela closed its McDonald's outlets to investigate alleged tax irregularities

18

Number of children—some as old as 17—abandoned at Nebraska hospitals since July, when the state implemented a safe-haven law



6 | California

WHERE THERE'S SMOKE Wildfires fueled by gusting Santa Ana winds burned at least 27,000 acres (11,000 hectares) in Southern California, forcing thousands from their homes. Despite the state's budget woes, Governor Arnold Schwarzenegger, who declared states of emergency in two counties on Oct. 14, assured residents in a press conference, "We always get the money somehow to fight the fires."

7 | Cambodia

Not-So-Friendly Fire

Two Cambodian soldiers were killed Oct. 15 when Thai and Cambodian troops exchanged fire at a border spot occupied by a disputed ancient temple. Each nation claimed that the other fired first. Cambodia also announced it had captured 10 Thai soldiers, though Thailand accounted for all its troops. Tensions have been high since July, when Cambodian troops detained three Thai protesters for crossing the border in order to enter the disputed area.



A same-sex-marriage supporter celebrates the Connecticut court's decision

8 | Connecticut

Gay Marriage Upheld

Connecticut became the third U.S. state to legalize gay marriage when its supreme court ruled 4-3 that a law against gay marriage discriminated against sexual orientation and was thus unconstitutional. The law, passed in 2005, legalized civil unions but specified that marriage involved "one man and one woman." A University of Connecticut poll found that 53% of residents supported the ruling, although Connecticut governor M. Jodi Rell said she disagreed with it.

9 | Canada

A Win for Harper

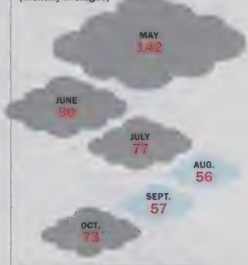
Prime Minister Stephen Harper's Conservative Party prevailed in Oct. 14 elections, earning a broader mandate amid economic turmoil but falling short of the outright majority Harper had sought by calling the vote. In the nation's third elections in four years, the Conservatives captured at least 143—up from 127—of 308 House of Commons seats, while its primary opposition, the Liberal Party, notched just 76.

10 | Beijing

Clearing the Air, Again

For two months this summer, the Chinese capital saw some of its clearest skies in a decade, thanks to antipollution measures in place for the Olympics and Paralympics. But when restrictions were lifted Sept. 21, pollution returned. Beijing has now re-instated Olympic traffic rules that ban each of the city's 3.5 million cars one day a week, on the basis of license-plate number. The plan may take 800,000 cars off the road.

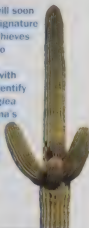
Air Pollution Index (monthly averages)



SOURCE: CHINA MINISTRY OF ENVIRONMENTAL PROTECTION

★ | What They're Stealing in Arizona:

National Park Service officials will soon embed microchips in Arizona's signature saguaro cactus plants to deter thieves who dig them up and sell them to landscapers and nurseries. The microchips, which are inserted with a syringe, will help authorities identify stolen plants. Seventeen *Carnegiea gigantea* were stolen from Arizona's Saguaro National Park last year; they sell for about \$1,000 each. The saguaro isn't the only cactus to be microchipped: Arizona and Nevada put chips in barrel cacti in 1999.



13 Number of digits on Times Square's National Debt Clock, which ran out of space Sept. 30 when the U.S.'s debt reached \$10 trillion

\$1.5 BILLION

Amount of money lost by Microsoft founder Bill Gates during the recent economic downturn, making Warren Buffett America's richest man



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Verbatim

'I'm 100% confident that we'll be friends forever.'

SILVIO BERLUSCONI, Italy's Prime Minister, toasting President Bush at the White House

'We're just not going to evict innocent tenants. It stops today.'

THOMAS J. DART, sheriff of Cook County, Ill., on suspending foreclosure evictions in the Chicago area because renters were not being properly notified about their landlords' financial problems

'I don't want to be like every other fighter and do it one more time. That's obviously when it gets dangerous.'

OSCAR DE LA HOYA, world-champion boxer, on plans to retire before he is permanently injured. His upcoming match against Filipino Manny Pacquiao is expected to be the most profitable fight in boxing history

'We know HIV causes AIDS.'

BARBARA HOGAN, South Africa's new Health Minister, reversing a decade of discredited government policies on the virus

'It just goes to show how the ocean keeps its secrets very well.'

DEMIAN CHAPMAN, scientist with New York's Institute for Ocean Conservation Science, after a virgin shark gave birth—the second known instance of parthenogenesis in sharks

'Probably close to zero.'

HILLARY CLINTON, New York Senator and onetime Democratic presidential hopeful, on the chances she might run for President again

'The first thing is to find a bank I can put it in.'

ARAVIND ADIGA, winner of the Man Booker Prize for his debut novel, *The White Tiger*, on what he'll do with the \$87,000 in prize money



Back & Forth:

Troopergate

'If you read the report, you'll see that there was nothing unlawful or unethical about replacing a Cabinet member.'



SARAH PALIN, Republican vice-presidential hopeful, when asked about an Alaskan legislative panel that concluded she

abused her power as governor by pressuring Walter Monegan (below), then the state's public-safety commissioner, to fire a state trooper over a family dispute

'Governor offers Orwellian spin.'

EDITORS OF THE ALASKA DAILY NEWS, blasting Palin for denying that the panel's report found her guilty of violating state ethics laws



Iraq

'They were lying to me.'

JEAN FEGGINS, mother of Private First Class Albert Nelson, claiming military officials lied about how her son died in Iraq after a video surfaced that seems to show his death by friendly fire

'Fratricide did not occur.'

PAUL BOYCE, Army spokesman, saying Nelson was killed by enemy mortars

LEXICON

Pirate Czar *n.*—A Cabinet-level job created by the recently signed antipiracy bill to oversee cases of copyright infringement and illegal downloading

USAGE: "The Pirate Czar will protect giant media companies from, well, from you."

—NPR, Oct. 14, 2008

PHOTOS: (TOP) JEFFREY M. HARRIS/GETTY IMAGES; (MIDDLE) JEFFREY M. HARRIS/GETTY IMAGES; (BOTTOM) JEFFREY M. HARRIS/GETTY IMAGES

The Page

BY MARK HALPERIN



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CAMPAIGN SCORECARD

ROUND	1	2	3	4
ISSUE	Economy	Resources	Consistency	Party Unity
ACTION	<p>Republicans have their choice of two painful metaphors: a broken record or Groundhog Day. The same dam pattern repeats itself: bad economic news highlights an unpopular President Bush, drives voters to the Democrats, boosts Barack Obama's proposals and draws the press to the late front runner. If John McCain knows how to stop the cycle, he hasn't revealed it.</p> 	 <p>Once upon a time, Obama reneged on a promise to limit public campaign-financing for the general election, anticipating greater resources against McCain. It briefly appeared that GOP fund-raising had leveled the playing field. But it's been a happy ending for Obama: In some places, his campaign is outpacing McCain's by more than 8 to 1 on TV ads.</p>	<p>First McCain undermined his "ready from day one" message by selecting Sarah Palin as his running mate. Now the argument that he's the candidate of steady leadership is turned upside down. The Republican has been as moody as Hamlet, with shifting policy proposals, fickle themes and muddled attacks.</p> 	 <p>Since McCain has never been a party-establishment favorite, it's surprising how little carping and ship-jumping there has been in the wake of the Republicans' abrupt poll slide. But as giddy, shrewd Democrats sing all for one and one for all, GOP second-guessing and mutiny look inevitable.</p>

RESULTS

REPUBLICANS				
DEMOCRATS	✓	✓	✓	✓
TIE				

WINNER OF THE WEEK: DEMOCRATS

If it's better to be lucky than good in politics, it's best to be both. The Dems are still taking advantage of the favorable environment—which, along with a cascade of GOP errors, is masking any mistakes Team Obama might be making.



*** NOT ALL ROUNDS ARE CREATED EQUAL ***

The week's winner is based on the relative importance of each fight and by how much the winner takes each round.

WEEK BY WEEK

	JUNE	JULY	AUG.	SEPT.	OCT.	TOTAL WEEKS WON
REPUBLICANS		✓	✓	✓	✓	7
DEMOCRATS	✓	✓	✓	✓	✓	10

TIME/CNN Poll. Obama up in some Bush states

THE LATEST BATCH OF battleground-state polls is mostly good news for the Democrat.

COLORADO



TIME/CNN poll:
OBAMA 51, MCCAIN 47
2004 election results:
BUSH 52, KERRY 47

FLORIDA



TIME/CNN poll:
OBAMA 51, MCCAIN 46
2004 election results:
BUSH 52, KERRY 47

GEORGIA



TIME/CNN poll:
MCCAIN 53, OBAMA 45
2004 election results:
BUSH 58, KERRY 41

MISSOURI



TIME/CNN poll:
MCCAIN 49, OBAMA 48
2004 election results:
BUSH 53, KERRY 46

VIRGINIA



TIME/CNN poll:
OBAMA 53, MCCAIN 43
2004 election results:
BUSH 54, KERRY 45

All interviews were conducted via telephone by Spinster Research Group. The results from the new polls are among likely voters and have a margin of 1.5 percentage points.

A Brief History Of:

The 401(k)



FORGET ABOUT RESCUING BANKS OR UNFREEZING CREDIT markets. The question on most minds amid the recent market chaos: What does this mean for my 401(k)? With some \$3 trillion invested, these plans are the most popular retirement savings vehicle in the U.S.—and account for a big chunk of the \$2 trillion the crisis has wiped from American nest eggs.

The 401(k) plan—named for a section of the Internal Revenue Code—came about thanks to a 1978 congressional provision intended to offer taxpayers breaks on deferred income. In 1980, while trying to streamline a client's profit-sharing plan, benefits consultant Ted Benna realized that the code could be used to create an easy, tax-friendly vehicle for employees to save for retirement. The client passed, but the idea took off: there are now more than 65 million 401(k) accounts, which allow participants to invest in stocks and bonds, often with matching funds from employers—all at a lower cost than the pension plans that 401(k)s replaced. The accounts helped spark a financial industry boom, funneling billions from under retirement savers' mattresses into mutual funds and the stock market.

But 401(k)s didn't yield smarter investors. In the 1990s, employees at some fast-growing companies kept up to 90% of their 401(k)s in company stock. When Enron and WorldCom tanked in 2001 and '02, they each took more than \$800 million in savings with them, prompting landmark lawsuits. The current meltdown has skimmed about 20% from 401(k)s since 2007 and ignited debate over their retirement-income reliability. "Unlike Wall Street executives, American families don't have a golden parachute to fall back on," said California Representative George Miller at an Oct. 7 hearing on retirement savings. At least they still have mattresses. —BY ALYSSA FETINI

Nest eggs An estimated 40% of American private-sector employees have money in 401(k) plans

PROGRESSION OF A PLAN

1978 Section 401(k) of Congress's new tax code states that employees can avoid taxes on income they receive as deferred payment

1981 The IRS allows employees to defer part of their pretax salary into their retirement plan

1984 More than 17,000 companies offer 401(k) plans among their retirement-savings options

2001-02 Enron and WorldCom face lawsuits from employees



whose 401(k)s were drained because of investments in company stock

2008 Record market lows take a toll on retirement funds

THE SKIMMER



The Big Necessity: The Unmentionable World of Human Waste and Why It Matters

By Rose George
Metropolitan; 288 pages

EXCREMENT. STOOL. DEFECATION. *S... This unlikely tour of the underworld of human waste grew out of the author's 2006 series on sewage for the online magazine Slate. George, an accomplished London-based writer, has invariably hit on an important topic. As many as 2.6 billion people lack sanitation—meaning no access to a latrine, a toilet, a bucket or even a box. The health consequences are, not surprisingly, catastrophic: "A gram of feces," George writes, "can contain 10 million viruses, 1 million bacteria, 1,000 parasite cysts and 100 worm eggs." The privileged Westerner winces. Yet in an upbeat, inquisitive manner, George travels the sludge-filled world—from the sewers of New York City to the latrine pits of Tanzania to plumbing-deprived rural India—breaking one of our last taboos for an insightful discussion of health policy. For the average reader, though, a treatise on toilets (or the lack thereof) can be simply too much to stomach. A series of articles was plenty on this topic; reading a whole book on the subject is an ordeal by ordure. Our advice: Flush.*

—BY ANDREA SACHS

READ

SKIM

TOSS

"Talk about a
wake-up call.
I had a heart attack
at 57"

~ John E.
Lafayette, CA
Heart attack: 8/16/2007



"I should have been doing more for my high cholesterol.
I learned the hard way. Now I trust my heart to Lipitor.
Talk to your doctor about your risk and about Lipitor."

- Adding Lipitor may help, when diet and exercise are not enough. Unlike some other cholesterol lowering medications, Lipitor is FDA-approved to reduce the risk of heart attack and stroke in patients with several common risk factors, including family history, high blood pressure, low good cholesterol, age and smoking.
- Lipitor has been extensively studied with over 16 years of research. And Lipitor is backed by 400 ongoing or completed clinical studies.

IMPORTANT INFORMATION: LIPITOR is a prescription drug. It is used in patients with multiple risk factors for heart disease such as family history, high blood pressure, age, low HDL ("good" cholesterol) or smoking to reduce the risk of heart attack, stroke and certain kinds of heart surgeries. When diet and exercise alone are not enough, LIPITOR is used along with a low-fat diet and exercise to lower cholesterol.

LIPITOR is not for everyone. It is not for those with liver problems. And it is not for women who are nursing, pregnant or may become pregnant. If you take LIPITOR, tell your doctor if you feel any new muscle pain or weakness. This could be a sign of rare but serious muscle side effects. Tell your doctor about all medications you

take. This may help avoid serious drug interactions. Your doctor should do blood tests to check your liver function before and during treatment and may adjust your dose. The most common side effects are gas, constipation, stomach pain and heartburn. They tend to be mild and often go away.

LIPITOR is one of many cholesterol-lowering treatment options that you and your doctor can consider.

Please see additional important information on next page.



LIPITOR.
atorvastatin calcium
tablettes



Have a heart to heart with your doctor about your risk. And about Lipitor.
Call 1-888-LIPITOR (1-888-547-4867) or visit www.lipitor.com/john

*You are encouraged to report negative side effects of prescription drugs to the FDA.
Visit www.fda.gov/medwatch or call 1-800-FDA-1088.*

IMPORTANT FACTS



LIPITOR
atorvastatin calcium
tablet

(LIP-ih-tore)

LOWERING YOUR HIGH CHOLESTEROL

High cholesterol is more than just a number, it's a risk factor that should not be ignored. If your doctor said you have high cholesterol, you may be at an increased risk for heart attack. But the good news is, you can take steps to lower your cholesterol.

With the help of your doctor and a cholesterol-lowering medicine like LIPITOR, along with diet and exercise, you could be on your way to lowering your cholesterol.

Ready to start eating right and exercising more? Talk to your doctor and visit the American Heart Association at www.americanheart.org.

WHO IS LIPITOR FOR?

Who can take LIPITOR:

- People who cannot lower their cholesterol enough with diet and exercise
- Adults and children over 10

Who should NOT take LIPITOR:

- Women who are pregnant, may be pregnant, or may become pregnant. LIPITOR may harm your unborn baby. If you become pregnant, stop LIPITOR and call your doctor right away.
- Women who are breast-feeding. LIPITOR can pass into your breast milk and may harm your baby.
- People with liver problems
- People allergic to anything in LIPITOR

BEFORE YOU START LIPITOR

Tell your doctor:

- About all medications you take, including prescriptions, over-the-counter medications, vitamins, and herbal supplements
- If you have muscle aches or weakness
- If you drink more than 2 alcoholic drinks a day
- If you have diabetes or kidney problems
- If you have a thyroid problem

ABOUT LIPITOR

LIPITOR is a prescription medicine. Along with diet and exercise, it lowers "bad" cholesterol in your blood. It can also raise "good" cholesterol (HDL-C).

LIPITOR can lower the risk of heart attack or stroke in patients who have risk factors for heart disease such as:

- age, smoking, high blood pressure, low HDL-C, heart disease in the family, or
- diabetes with risk factor such as eye problems, kidney problems, smoking, or high blood pressure

POSSIBLE SIDE EFFECTS OF LIPITOR

Serious side effects in a small number of people:

- **Muscle problems** that can lead to kidney problems, including kidney failure. Your chance for muscle problems is higher if you take certain other medicines with LIPITOR.
- **Liver problems.** Your doctor may do blood tests to check your liver before you start LIPITOR and while you are taking it.

Symptoms of muscle or liver problems include:

- Unexplained muscle weakness or pain, especially if you have a fever or feel very tired
 - Nausea, vomiting, or stomach pain
 - Brown or dark-colored urine
 - Feeling more tired than usual
 - Your skin and the whites of your eyes turn yellow
- If you have these symptoms, call your doctor right away.

The most common side effects of LIPITOR are:

- Headache
- Constipation
- Diarrhea, gas
- Upset stomach and stomach pain
- Rash
- Muscle and joint pain

Side effects are usually mild and may go away by themselves. Fewer than 3 people out of 100 stopped taking LIPITOR because of side effects.

HOW TO TAKE LIPITOR

Do:

- Take LIPITOR as prescribed by your doctor.
- Try to eat heart-healthy foods while you take LIPITOR.
- Take LIPITOR at any time of day, with or without food.
- If you miss a dose, take it as soon as you remember. But if it has been more than 12 hours since your missed dose, wait. Take the next dose at your regular time.

Don't:

- Do not change or stop your dose before talking to your doctor.
- Do not start new medicines before talking to your doctor.
- Do not give your LIPITOR to other people. It may harm them even if your problems are the same.
- Do not break the tablet.

NEED MORE INFORMATION?

- Ask your doctor or health care provider.
- Talk to your pharmacist.
- Go to www.lipitor.com or call 1-888-LIPITOR.

Uninsured? Need help paying for Pfizer medicines? Pfizer has programs that can help. Call 1-866-706-2400 or visit www.PfizerHelpfulAnswers.com.

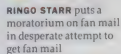
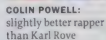
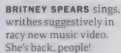
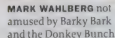
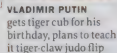
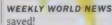
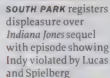
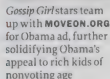
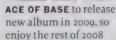
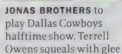
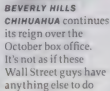
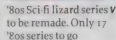
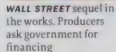
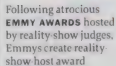
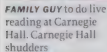
 **helpful
answers™**



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Rx only



PREDICTABLE

SHOCKINGLY PREDICTABLE

Drawing Room

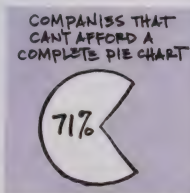
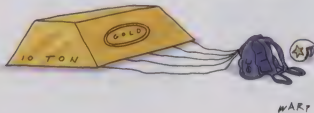
EDITED BY MATTHEW DIFEE



"I knew him when he was just morally bankrupt."



IF MAIN STREET
DESIGNED THE
GOLDEN PARACHUTE



Milestones



William Claxton

AMERICA'S PREEMINENT JAZZ photographer, William Claxton, who died on Oct. 11 at the age of 80, spent six decades capturing images of countless Hollywood celebrities and nearly every significant jazz musician around.

Memorable Claxton images include a young Charlie Parker in the Claxton home, John Coltrane in the Guggenheim Museum and Art Pe-



Jazzman Claxton chronicled *Chet Baker's rise to fame*



Joerg Haider

FAR-RIGHT POLITICIAN JOERG Haider, who died in a car crash on Oct. 11 at 58, was Austria's best-known person, his sharp and perpetually tanned features ubiquitous on television and in magazines. He was also its most po-

larizing figure. During a long and checkered career, Haider stood out from the crowd of postwar Austrian politicians with his good looks, athletic lifestyle and devilish talent for provocation: he played on and amplified anti-immigrant and anti-E.U. sentiment, courted

per walking up a steep hill on his release from prison. Claxton's last assignment was a cover portrait of Bob Dylan for the just-released album *Tell Tale Signs*.

Armed with a camera and a degree in psychology from UCLA, Bill was often hired to work with difficult subjects and was known for coming away with memorable shots and an intact reputation. His pictures allowed viewers an intimate window into typically guarded personalities such as Marlene Dietrich, Chet Baker and Steve McQueen.

While William Claxton's sophisticated eye left an unparalleled photographic legacy, his gracious manner and refreshing lack of ego left an even deeper lasting impression. —BY STEVE CRIST

*Crist was the editor of Claxton's book *Jazzlife* and is the publisher of AMMO Books in Los Angeles*

pariahs like Muammar Gaddafi and Saddam Hussein and at one point praised Adolf Hitler's "orderly" employment policies.

Born to parents who were early supporters of Hitler's National Socialist party, Haider never held national office, preferring to work behind the scenes while keeping his post as governor of the mostly rural southern province of Carinthia. In 1999 he led the rightist Freedom Party to 27% of the national vote, a result that triggered outrage in Europe and, ultimately, sanctions from the E.U. In last month's elections, the far right had its best showing since World War II, with support from nearly 50% of Austrians under age 30—an outcome that ensures that Haider's divisive legacy will live on. —BY ANDREW PURVIS

DIED: Richard Stephen

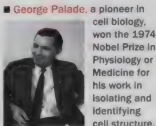
Heyser, whose photos of Soviet nuclear-weapons sites ignited the Cuban missile crisis, once told the Associated Press that he was relieved not to have become the person who started World War III. As a U.S. Air Force major, Heyser flew the U-2 spy plane that took the famous pictures. Those photos prompted President John F. Kennedy to announce in October 1962 that the Soviet Union was building secret missile sites 90 miles (about 150 km) from Florida's coast. A tense standoff with the Soviets ensued. Heyser later won three Distinguished Flying Crosses and a Bronze Star. He was 81.

■ For 32 years Eileen Herlie



played boutique owner Myrtle Fargate on ABC's *All My Children*. Herlie joined the soap opera

in 1976 after a successful run on Broadway, where she appeared in shows like *Take Me Along*—based on Eugene O'Neill's play *Ah, Wilderness!*—and the Richard Burton production of *Hamlet*. For her turn as Lily, an old-maid schoolteacher in *Take Me Along*, Herlie received a Tony nomination. She was 90.



His research, which he conducted along with biologists Albert Claude and Christian de Duve, used electron microscopy to identify the functions of mitochondria (the powerhouse of a cell) and ribosomes (protein makers), as well as other cell components. Having emigrated from Romania in 1946, Palade became chairman of the cell-biology department at Yale in 1973 and then the founding dean of scientific affairs at the University of California at San Diego in 1990. He was 95.



Joel

Stein

The Joel Poll

For the results of
Joel Stein's exit poll, go to
time.com/steinpoll

Early Action. What kind of people vote a month before the campaign ends? People who know what they're doing

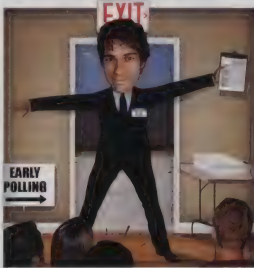
IN MANY OF THE 31 STATES THAT HAVE early voting, Americans have already cast their ballot for President. And while exit pollsters refuse to reveal their results until voting sites close because they don't want to discourage people from voting, I feel that the sooner we can end this thing the better. So on Oct. 9, I went to Ohio, where people had started voting a week earlier, and stood outside the early-voting site in Cincinnati to conduct America's first 2008 exit poll.

To find out how to do this, I called pollster Frank Luntz. He warned that in addition to excruciating boredom, I'd experience a lot of rejection. But Luntz said that when people turn me down, I should chase them and do a hard sell: "You say, 'Give me 15 seconds. From one human being to another, 15 seconds. I'm here because you're important. I'm here because you matter. They sent me here because you and the people who don't want to answer this question matter more to my magazine than any other Americans. Please teach me. Educate me.'" I bet Luntz doesn't go home alone very often.

Luntz also gave me strict rules. I had to poll 25 people. I had to interview every third person who passed and space out my polling throughout the entire day. I slightly adjusted these rules by showing up at 11 a.m. and asking every person I saw in order to get out there early. I got a decent sample anyway: half men, half women, half white; a third were over 50, and I'm pretty sure 12% were gay, even if 4% were probably denying it to themselves.

If all Americans were like early voters, we'd have a perfectly run country that would get beat up by all the other countries

I was told by the very nice election-board workers that in-person early voters come in two varieties: the super-informed and the people Obama supporters pick up off the streets and throw into a van. You can tell the difference mainly by smell. The secretary who sits by the front door told me that I wouldn't see many old people, since they like to vote on Election Day so they can see their



friends, get breakfast afterward and make a day of it. This made me think that we should hold elections for old people monthly, letting them vote on things we don't want to think about, like stuff about old people.

Unfortunately, by law every county has only one early-voting site, and Hamilton County's location is in the middle of the inner city, so even though it's a conservative county, 84% of the people I surveyed voted for Barack Obama. The vast majority of early voters submit their ballots by mail, and Hamilton County's envelopes are probably just as strongly pro-John McCain. But I was interested less in which candidate Hamilton County will vote for than in finding out what kind of person votes a month before the election. To my shock,

none of them told me they were voting early "to avoid old people." Equally surprising, no one found that question to be strange. The voters were, however, dubious about my professionalism when I asked whether "people sometimes call them anal"—though 36% said yes. Also, 36% had already done some Christmas shopping and their taxes, 44% applied early admission to college, and one-third had stamps on them. Two even said they don't carry stamps because they pay all their bills online. One woman was saving her VOTED sticker so she could wear it on Election Day. If all Americans were like early voters, we'd have a perfectly

run country that would get beat up by all the other countries.

Because I'm not a professional pollster, my results, much like my questions, were unusual. For instance, while 32% of voters said the economy was their No. 1 issue, 12% chose Supreme Court appointments, 4% cared most about health care, and a shocking 36% fell under the category "I forgot to ask that question."

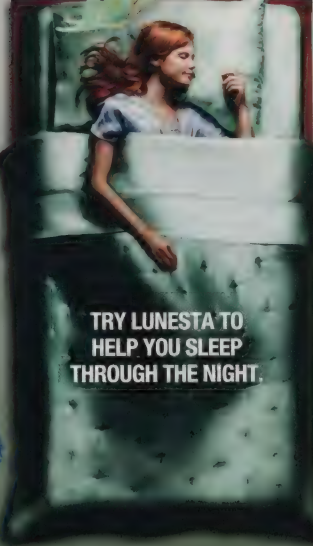
From what I could tell, early voters are the best-informed, smartest, most responsible members of society. Twenty percent of them were supporting their candidate even before he decided to run; 12% planned to spend Nov. 4 volunteering

at the polls. When I asked if they wanted to vote now for the next *American Idol* winner, 80% told me they don't watch the show. Two graduated from high school a year early. One was voting early so she "would be able to avoid crowds and take my time and read all the propositions carefully." These people were making such well-informed decisions that none of them said they were nervous that something would happen before the election to make them regret their vote. "Obama would have to eat a baby on stage with condiments and not wash his hands after," one told me. Another thought about my question for a minute and said, "Nothing could happen that I couldn't rationalize."

We should have held this election a year ago.



**IF YOU'RE NOT GETTING
A FULL NIGHT'S SLEEP
WITH AMBIEN**
(zolpidem tartrate)



**TRY LUNESTA
TO HELP YOU SLEEP
THROUGH THE NIGHT.**

Unlike Ambien[®], LUNESTA is FDA approved to help patients both fall asleep *and* stay asleep all through the night.

LUNESTA is clinically proven to provide up to 7-8 hours of sleep.

Ask your doctor about non-narcotic prescription LUNESTA.

Visit www.lunesta.com for more information and to access your Dream Kit for helpful treatment options, games and ways to save.

*Ambien, not Ambien CR.

LUNESTA is indicated for the treatment of insomnia. In controlled outpatient and sleep laboratory studies, LUNESTA administered at bedtime decreased the time to go to sleep and improved total sleep time.

Important Safety Information: LUNESTA helps you fall asleep quickly, so take it right before bed. Be sure you have at least eight hours to devote to sleep before becoming active. Until you know how you will react to LUNESTA, you should not drive or operate machinery. Do not take LUNESTA with alcohol. Call your doctor if your insomnia worsens or is not better within 7 to 10 days. This may mean that there is another condition causing your sleep problems. Call your doctor right away if after taking LUNESTA you walk, drive, eat or engage in other activities while asleep. In rare cases, severe allergic reactions can occur. Most sleep medications carry some risk of dependency. Do not use sleep medicines for extended periods without first talking to your doctor. Side effects may include unpleasant taste, headache, drowsiness and dizziness. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch or call 1-800-FDA-1088. See important patient information on the next page.

Ambien is indicated for the short-term treatment of insomnia characterized by difficulties with sleep initiation. Ambien[®] is a registered trademark of sanofi-aventis U.S. LLC.



Lunesta
(eszopiclone)
1, 2 AND 3 MG TABLETS



Important Patient Information

LUNESTA® (lū'-nes"-lā) Tablets, Coated C-IV (eszopiclone)

Read the Medication Guide that comes with LUNESTA before you start taking it and each time you get a refill. There may be new information. The Medication Guide does not take the place of talking to your doctor about your medical condition or treatment.

What is the most important information I should know about LUNESTA?

After taking LUNESTA, you may get up out of bed while not being fully awake and do an activity that you do not know you are doing. The next morning, you may not remember that you did anything during the night. You have a higher chance for doing these activities if you drink alcohol or take other medicines that make you sleepy with LUNESTA. Reported activities include:

- driving a car ("sleep-driving")
- making and eating food
- talking on the phone
- having sex
- sleep-walking

Call your doctor right away if you find out that you have done any of the above activities after taking LUNESTA.

Important:

1. Take LUNESTA exactly as prescribed

- Do not take more LUNESTA than prescribed.
- Take LUNESTA right before you get in bed, not sooner.

2. Do not take LUNESTA if you:

- drink alcohol
- take other medicines that can make you sleepy. Talk to your doctor about all of your medicines. Your doctor will tell you if you can take LUNESTA with your other medicines.
- cannot get a full night's sleep

What is LUNESTA?

LUNESTA is a sedative-hypnotic (sleep) medicine. LUNESTA is used in adults for the treatment of a sleep problem called insomnia. Symptoms of insomnia include:

- trouble falling asleep
- waking up often during the night

LUNESTA is not for children.

LUNESTA is a federally controlled substance (C-IV) because it can be abused or lead to dependence. Keep LUNESTA in a safe place to prevent misuse and abuse. Selling or giving away LUNESTA may harm others, and is against the law. Tell your doctor if you have ever abused or been dependent on alcohol, prescription medicines or street drugs.

Who should not take LUNESTA?

Do not take LUNESTA if you are allergic to anything in it.
See the end of this page for a complete list of ingredients in LUNESTA.

LUNESTA may not be right for you. Before starting LUNESTA, tell your doctor about all of your health conditions, including if you:

- have a history of depression, mental illness, or suicidal thoughts
- have a history of drug or alcohol abuse or addiction
- have liver disease
- are pregnant, planning to become pregnant, or breastfeeding

Tell your doctor about all of the medicines you take including prescription and nonprescription medicines, vitamins and herbal supplements. Medicines can interact with each other, sometimes causing serious side effects. **Do not take LUNESTA with other medicines that can make you sleepy.**

Know the medicines you take. Keep a list of your medicines with you to show your doctor and pharmacist each time you get a new medicine.

How should I take LUNESTA?

- Take LUNESTA exactly as prescribed. Do not take more LUNESTA than prescribed for you.
- Take LUNESTA right before you get into bed.
- Do not take LUNESTA with or right after a meal.
- Do not take LUNESTA unless you are able to get a full night's sleep before you must be active again.
- Call your doctor if your insomnia worsens or is not better within 7 to 10 days. This may mean that there is another condition causing your sleep problems.
- If you take too much LUNESTA or overdose, call your doctor or poison control center right away, or get emergency treatment.

What are the possible side effects of LUNESTA?

Possible serious side effects of LUNESTA include:

- getting out of bed while not being fully awake and do an activity that you do not know you are doing. (See "What is the most important information I should know about LUNESTA?")
- abnormal thoughts and behavior. Symptoms include more outgoing or aggressive behavior than normal, confusion, agitation, hallucinations, worsening of depression, and suicidal thoughts or actions.
- memory loss
- anxiety
- severe allergic reactions. Symptoms include swelling of the tongue or throat, trouble breathing, and nausea and vomiting. Get emergency medical help if you get these symptoms after taking LUNESTA.

Call your doctor right away if you have any of the above side effects or any other side effects that worry you while using LUNESTA.

The most common side effects of LUNESTA are:

- unpleasant taste in mouth, dry mouth
- drowsiness
- dizziness
- headache
- symptoms of the common cold
- You may still feel drowsy the next day after taking LUNESTA. Do not drive or do other dangerous activities after taking LUNESTA until you feel fully awake.

These are not all the side effects of LUNESTA. Ask your doctor or pharmacist for more information. Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

How should I store LUNESTA?

- Store LUNESTA at room temperature, between 59°F to 86°F (15°C to 30°C).
- Do not use LUNESTA after the expiration date.
- Keep LUNESTA and all medicines out of reach of children.

General information about LUNESTA

- Medicines are sometimes prescribed for purposes other than those listed in a Medication Guide.
- Do not use LUNESTA for a condition for which it was not prescribed.
- Do not share LUNESTA with other people, even if you think they have the same symptoms that you have. It may harm them and is against the law.

This page summarizes the most important information about LUNESTA. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about LUNESTA that is written for healthcare professionals.

- For customer service, call 1-888-394-7377
- To report side effects, call 1-877-737-7228
- For medical information, call 1-800-739-0565

What are the ingredients in LUNESTA?

Active ingredient: eszopiclone

Inactive ingredients: calcium phosphate, colloidal silicon dioxide, croscarmellose sodium, hypromellose, lactose, magnesium stearate, microcrystalline cellulose, polyethylene glycol, titanium dioxide, and triacetin

Rx Only



Manufactured for:
Sepracor Inc.
Marlborough, MA 01752 USA

May 2008

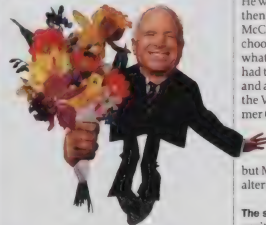
Joe Klein

Round Three. McCain summoned old-fashioned antigovernment outrage in the final debate. But this is a different year

"THIS REALLY GETS DOWN TO THE fundamental difference in our philosophies," John McCain said, quite accurately, in the heat of the third presidential debate. "If you notice ... Senator Obama wants government to do the job. He wants government to do the job. I want you, Joe, to do the job," referring to a plumber Barack Obama had met on the campaign trail. The job, in this case, was finding health insurance. And in years past, McCain would have had the better of this argument—it is the classic division between liberals and conservatives. But 2008 has proved to be a new and frightening moment for the American electorate, and having the government help in finding, and funding, health care doesn't sound like such a bad idea anymore. McCain had a feisty debate, with some high points and a bit too much anger to make Americans feel very comfortable in his presence, but to a very great extent, his fate—like this election—was out of his control. This is simply not a good year to say, "Joe, take care of your health care yourself." It seems an impossible year for McCain's Reagan Republican philosophy.

McCain entered the third debate with Obama a chastened man. Half the Republican savants seemed to have given up on him; the other half were offering bad advice. Worse, he seemed to have realized—finally—the permanent threat to his reputation that his campaign had become. The moment of truth may have occurred at an Oct. 6 rally. "Who is the real Barack Obama?" McCain asked. "A terrorist?" a man

bellowed. McCain seemed to wince, roll his eyes, retreat. He didn't admonish the man, but the incident was unsettling, and several days later, at a town-hall meeting in Minnesota, he did begin to push back against the ugliness of his crowds. A woman said, "I can't trust Obama. He's an Arab," and McCain replied, "No, ma'am. No, ma'am, he's not.



He's a decent family man—citizen—that I just happen to have disagreements with on fundamental issues."

It wouldn't be entirely fair to blame McCain for the bilious mess his party has become. The most vehement of the Republican faithful live in an alternative universe, fermented by decades of Rush Limbaugh's brilliantly meretricious baloney and Sean Hannity's low-rent bullying. As McCain's audiences went out of control, Hannity stoked the rage with a "documentary" about Obama that featured, without qualification, a poisonously flaky anti-Semite who claimed to know Obama was a Muslim. But McCain had consistently stoked the rage as well, with nonstop negative advertising and by questioning Obama's patriotism and trying to make an Everest out of the antihill of Obama's association—passing, at best—with the former terrorist William Ayers. Those gambits, plus McCain's monumentally dreadful selection of a running mate un-

qualified for the presidency, have defined the Republican's campaign. According to the polls, the stunts and attacks have hurt more than they have helped, which is a wonderful thing: a very worried public is taking this election very seriously.

McCain's benighted handlers had been stuck too deep in the Rovian mud to pick up on that. But in the days just before the debate, McCain returned to the acceptable boundaries of presidential politics with a punchy new stump speech that was plenty critical of Obama but critical on matters of substance, not inference. Obama would raise taxes. He would spend too much. He would "concede defeat in Iraq." And then, in a perfect valedictory to his career, McCain said, "I'm an American. And I choose to fight." It is impossible to say what McCain's fate would have been if he had taken this tough but traditional tack and also chosen Senator Joe Lieberman, the Vice President he really wanted, as former George W. Bush strategist Matthew Dowd suggested he should have done. No doubt, given the political tides, Obama would still be ahead, but McCain would seem a more plausible alternative and still have his honor intact.

The structural weakness of McCain's position was evident every time Obama described a program—health care, education, energy—in the third debate. CNN's focus group of independent Ohioans would send the dials on their electric gizmos spinning into the stratosphere. They loved the idea that government would spend more on education or energy or regulate the health-insurance companies. They also loved the idea that government should do this carefully—McCain's best moment was when he described how he'd cut waste. But McCain always looked as if he were a kernel of corn about to pop. He blinked, he spluttered. He interrupted Obama constantly. At times, McCain's outrage seemed righteous, as when he thundered that he was not Bush. (The focus group punished Obama when he mentioned the "failed policies of the past eight years.") But even righteous outrage seemed much too hot this year. In his anger, McCain confirmed a sad truth about his campaign: that the prime source of the negativity was the candidate himself. ■

The stunts and attacks have hurt McCain more than they have helped: a worried public is taking this election very seriously

The Big Bank Bailout: Are You Next?

The U.S. helped unlock lending by injecting \$250 billion into big banks. But consumers and businesses mauled by the market aren't in a spending mood

BY BILL SAPORITO

THEY'VE SAVED THE BANKERS, but what about the butchers, the bakers, the autoworkers and their dented 401(k) savings?

Who's going to bail out the retailers, restaurants and manufacturers small and large? The government has committed \$250 billion to rehydrate the balance sheets of the nation's leading banks and get lending flowing again. But if you're not exactly feeling reassured, there's good reason. With the global financial system wobbling, policymakers don't have many ways to stop the rest of the economy from heading for a recession. The challenge now is to try to contain it.

As banks have slammed on the lending brakes because they have lost so much money on subprime mortgages and securities tied to real estate, the entire \$14 trillion U.S. economy is piling up behind them. Tighter lending means fewer firms can expand their business; cities can't sell bonds to build schools and sewer systems.

And regular investors—long advised to buy stocks, diversify and stay patient—are taking the beating. Anna Weiss, 67, of Houston embodies the anxiety now taking hold across the country. "I saved for 30 years. I have saved and saved and saved so that I could afford some of the nice things that I never allowed myself when I was young," says the retired retail manager. "Now I find because of other people's stupidity that the money I have saved has shrunk."

Why Paulson Changed Plans

THE DAMAGE HAD BEEN MOUNTING SO swiftly that in the midst of a global stock

market rout that ate 18% of the Dow, Treasury Secretary Hank Paulson was forced to import a plan he once considered practically un-American. Paralleling a program authored by U.K. Prime Minister Gordon Brown, it called for the U.S. government to take partial ownership of nine leading banks and offer to buy pieces of hundreds of others. On Oct. 13, the nine bank bosses, assembled in the Treasury's imposing boardroom, were each handed a piece of paper with the terms: \$25 billion of preferred shares each from Citigroup, JPMorgan Chase, Wells Fargo and Bank of America. In return for the capital, the U.S. would collect a 5% dividend in the first five years. Although Wells Fargo chairman Richard Kovacevich resisted, Paulson gave the bankers no choice. It's partial nationalization, although in announcing the bailout Oct. 14, Paulson deliberately avoided using that term. "Today's actions are not what we ever wanted to do, but today's actions are what we must do to restore confidence in our financial system," he said.

For weeks, Paulson had held off on direct investment, preferring instead to use the \$700 billion Troubled Asset Relief Program (TARP), passed by Congress on its second go-round, to buy toxic mortgage-related assets from the banks. The bank bailout will be funded out of that budget, and the Treasury still plans to start buying troubled assets in the next month or so. But that wasn't soon enough for worried investors or for Fed Chairman Ben Bernanke, who according to insider reports had been advocating for a recapitalization for months. Money flowed out of the stock





ATM
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Main Street
Branch

market, including that of many large hedge funds. Some \$2 trillion in market value disappeared in a week. "It was tunnel vision," says Republican Congressman Spencer Bachus, ranking member of the House Committee on Financial Services. At a meeting at the White House on Sept. 25, Bachus says, he and others brought up the need for alternative approaches. "The President said, 'Paulson wants to do it. He's the guy. Whatever he says, we do.'"

So what finally forced Paulson's hand? Pressure mounted from abroad when Ireland, the U.K., France and Germany moved almost sequentially to insure deposits and recapitalize banks—nearly \$3 trillion worth. For the Treasury to fail to match that offer would have risked a capital flight by institutional depositors that could have started emptying U.S. banks.

The move to recapitalize the banks got an endorsement in global stock markets, which momentarily roared back, in many cases with record one-day gains. "[They] have headed off a full-blown collapse of the economy," says Anil Kashyap, an economist at the University of Chicago Graduate School of Business. "There's a 0% chance of 1930s-type depression."

The new government guarantees should insure that interbank loan rates retreat to the point where money is moving again. With the first capital injections a few days away, loans should begin flowing easily in a matter of weeks, says Scott Talbott, chief lobbyist for Financial Services Roundtable, representing major U.S. banks. "This will open up credit immediately, and the benefit will begin to flow to small businesses shortly thereafter," he says. Every \$1 of equity creates \$10 in lending power. Half of the \$250 billion set aside for capitalization is targeted at smaller banks. Some banks are wary of the strings attached—including a halt to dividend increases—but they may have no choice.

The Demand-Side Problem

WHILE THE BANKING BAILOUT MAY ADDRESS the supply side of credit, it doesn't necessarily stimulate the demand side—where we all live. Across America, there is growing evidence that demand for credit—and everything else—is shrinking, with recessionary consequences. Two days after the Washington drama, the Fed's Beige Book report revealed that business was weakening everywhere, prompting the Dow to regurgitate 700 points. GM is shutting plants earlier than anticipated, idling 2,800 workers; PepsiCo, which reported falling sales in the U.S., is chopping 3,300 jobs worldwide. Demand for Samsung's DRAM chips is dropping. The retailer Linens 'n Things is closing its remaining 371 stores,

Help for the Little Guys. Financial exp



Jennifer Fisher

A lobbyist in Washington, Fisher, 27, is single and rents a condo in Silver Spring, Md.

CURRENT SITUATION

- After accounting for bills, Fisher socks away most of the money she earns. Every month, she **puts \$1,000 into a savings account** and, until the downturn, was investing \$400, much of it in foreign stocks.
- A part-time law student, Fisher plans to use her savings to launch an online women's clothing boutique. The timing is now "up in the air," she says, because of the tanking market. "I know **it'll be hard to get a credit line.**"
- Fisher is considering buying a condo in what she thinks is a buyer's market.

WHAT THEY SHOULD DO

Fisher should start shopping for a home to buy now, says financial expert Jean Chatzky, author of *Make Money, Not Excuses*. "Just as it's impossible to time the bottom or top of the stock market, **it's impossible to time the bottom of the housing market,**" she says.



Erik and Lisa Langsdorf

Erik, 33, and Lisa, 29, live in Andover, Minn., with their kids Alaina, 3, and Sadie, 1. Erik, a plumber, was laid off last month. Lisa works for an insurance company.

- When they were both working, the Langsdorfs **put 10% of their combined monthly income toward retirement** and set aside 5% in a rainy-day fund.
- When Erik lost his job last month, the couple **stopped contributing to the 529 plans** they had set up to help pay for their children's college education.
- In addition to **switching from brand-name groceries to generics**, they have cut back other expenses, from baseball outings to car trips. Of the market, Lisa says, "It can't get much worse. There was a lot of greed out there."

Facing potential consolidation in the insurance industry, Lisa should **plan for the possibility that she too could get laid off**, says Chatzky. She should think about what skills she could draw on. "The best time to look for a job is when you already have one," Chatzky says.

LEXICON



Commercial Paper n.—A type of short-term loan companies issue to raise the cash needed to cover their day-to-day operations

erts offer advice to Main Street

Reported by Jeremy Caplan/New York; Steven Gray/Chicago and Rebecca Winters Keegan/Los Angeles



Jim and Eva Dion

Married for 42 years, the Dions live in a retirement community in Bluffton, S.C. Jim, 63, used to be a firefighter, and Eva, 61, a human-resources executive.

- Last year the Dions bought a new home with a 15-year mortgage. **The value of their investment portfolio has dropped 14%** so far this year, so they have postponed new-car purchases and have pared back vacation plans.
- In addition to two children and four grandchildren, **the Dions have three aging parents**, for whom they're considering home-care services. Eva's mother may soon need a hip replaced.
- The Dions have about 40% of their investments in bonds and CDs, **55% in stocks** and 5% in commodities.

Chatzky suggests reversing the Dions' "aggressive" investment blend in favor of a 40-to-60 stock-to-bond ratio. They should also **adhere to their carefully planned budget, withdrawing only 4% a year from retirement accounts** to make sure they don't outlive their savings.

Partial Nationalization n.—When the U.S. buys a big stake in a company, such as investing \$250 billion in private banks



Jennifer Yueill

A 35-year-old phlebotomist, Yueill lives in Omaha, Neb., with her daughter Phoebe, 9, and son Gavin, 5.

- Yueill declared bankruptcy last year but still **faces a mountain of monthly bills**, including \$300 for her car, \$120 for electricity and \$1,000 for day care.
- She puts 4% of her paycheck toward retirement, but **so far has saved just \$1,000**. She hopes to buy a home someday but knows stricter mortgage rules may make that incredibly difficult.
- Yueill **worries that she may never be able to retire** and admits that her investment approach hasn't been carefully vetted. "I honestly chose at random," she says.

"She needs to set clear priorities," says Diahann Lassus, chair of the National Association of Personal Financial Advisors. **Improving earning power** through education might be one such goal. As for mortgage concerns, "there is nothing wrong with renting," says Lassus.

Preferred Stock n.—A type of stock that usually lacks voting rights but pays dividends ahead of common stock



Barron Postmus and Jane Skeeter

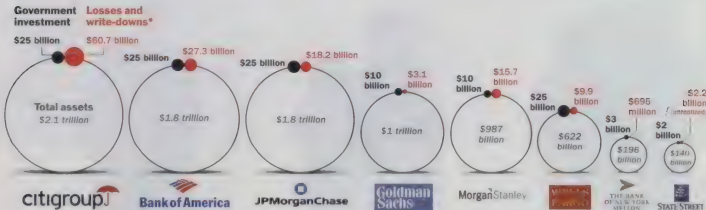
Postmus, 71, is an artist in West Hills, Calif., where his wife, Skeeter, 58, owns a decorative-glass company that employs 36 people, with sales of \$4 million a year.

- Their **home has lost 30% of its value** in the last 12 months; they recently refinanced to get a better interest rate and put off planned remodeling.
- **Skeeter's business is closely tied to commercial and home construction.** She'd like to invest in some R&D on a new, eco-friendly glass product she thinks will sell well. "Should I borrow or try to capitalize it myself?" she asks.
- To fund their retirement, they're mainly counting on the equity they have in their commercial property; **their stake is currently valued at \$2.8 million.**

Lassus says seeking a loan for Skeeter's proposed project is a good way to ensure the idea is a solid one. An outsider may ask tough questions Skeeter has not considered. Chatzky says **if the couple doesn't plan on moving**, falling home values shouldn't be a worry.

Senior Debt n.—If a company goes belly-up, holders of these bonds get repaid before other creditors do

Check Your Balance. The U.S. is injecting \$250 billion in new capital into the financial system. Big banks will get half of it



*Since June '07 Source: Bloomberg; Mark T. Williams, Boston University

eliminating 17,000 jobs. The NBA is laying off 80 people, citing slower ticket sales.

Dan Danner, executive vice president of the National Federation of Independent Business, says most of his 350,000 members are "some combination of nervous, scared, in the trenches. At the moment, credit is not a problem only because they're in survivor mode, waiting to see if they're going to have customers tomorrow." David Guernsey, who owns an office-products firm in Chantilly, Va., knows the feeling. While less expensive items are selling, purchases of office furniture that are normally bank financed are lagging. Customers are telling his sales staff, "We just need to circle the wagons and wait this thing out," Guernsey says. That's true among large corporations too. "People are putting projects on the shelf because the uncertainty came in so fast," a FORTUNE 100 CEO tells TIME. "Everybody in the boardroom is questioning. You want to reinvest now?" And if businesses stop spending, the pain will be felt in industries from steel to construction to carpets.

Resetting the Economy

SO DOES ANYONE WANT TO INVEST NOW? For many people opening their third-quarter brokerage statements, the news is grim. "Our call volumes are up 100%. We are just on fire here," says Gary Bhojwani, CEO of Allianz Life Insurance in Minneapolis, which sells annuities—insurance products that trade off risk and the potentially higher returns that stocks or bonds offer in exchange for a guaranteed payback. (Most annuities are guaranteed by state insurance regulators.) Investors who wouldn't know an annuity from a pineapple are asking one question: Is my money safe?

If you're thinking for the long term, it still is. To stock watchers, the flight to

safety—capitulation, in other words—is a good thing, signaling that a market bottom is near. More important, though, says Tom McManus, chief investment officer at Wachovia Securities, is your own comfort level: "If you can't sleep, you have to sell down to the sleeping level—a mode where you are comfortable opening the statement and discussing it with your adviser or a family member."

Once you are well rested, then you can understand your risk tolerance and restate your goals, your investment horizon and your expectations. The standard advice is to continue to buy on a regular basis into a declining market because your average cost of buying shares declines.

Still, a lot of people are going to have to rebalance their portfolios to remain properly diversified and in line with their goals. "You can have an extremely negative view of the economy and use that to say, 'I am not going to go anywhere close to consumer discretionary stocks,'" says McManus. He'd opt for consumer staples instead, as well as health care, utilities and perhaps some beaten-down market sectors such as energy.

Certainly some stocks have been getting cheap. McManus points out that last Friday the dividend yield reached 3.3%, which was higher than the expected inflation rate. The last time this happened was during the 2002 sell-off, which presaged a 26% market growth the next year.

One possible benefit of turmoil: the bear market of 2008 may have ended the spend-thrift ways of the 80 million—strong boomer generation, which is now heading rapidly toward retirement, and refocused them on saving. "We must have a reset on consumer spending; frankly, it is out of control," says Daniel J. Houston, president of retirement investor services at Principal Financial Group

in Des Moines, Iowa. The average contribution to a 401(k) plan is 7% of salary, yet the average person may need to save 13% to 15% of his salary to maintain his standard of living in retirement. For people 10 years from retirement, "this might be the best wake-up call we ever got," says Houston.

If we are forced to increase savings, then spending has to drop, and that has ramifications for the stock market and the economy, because it implies we'll buy fewer computers and take fewer trips. With consumers hard-pressed, it is the government that will have to do the spending, says McManus. "Now is the time for us to spend, spend, spend, to make sure people are employed and have money on the table." Both presidential candidates have proposed economic stimulus packages on top of the \$168 billion stimulus Congress passed in early February. At some point, of course, the next President will have to either rein in that spending or raise taxes—or risk a historic budget deficit.

As for the stock market, you have to think of it as a forecaster. The market looked into the future and saw a horizon darkened by a complete collapse of lending and the prospect of a long, deep recession. So Paulson and Bernanke changed course, as have some investors. "We can always adjust our retirement plan by a couple of years just to ride this out," says Linda Gallegos, 54, of Golden, Colo. She and her husband Gary have two 401(k)s. "I've been thinking, Oh, my God, this could be bad. But I feel pretty powerless to do anything. I figure, what goes down will come back up. Maybe we've seen the worst of it." Maybe. The fate of the economy could depend on how many Americans are willing to bet on it. —WITH REPORTING BY JUSTIN FOX/NEW YORK, MASSIMO CALABRESI AND MICHAEL WEISSKOPF/WASHINGTON AND HILARY HYLTON/AUSTIN, TEXAS ■



Extra Money

To read Justin Fox's daily take on business and the economy, go to time.com/curiouscapitalist



Fundamentally Strong

John McCain's "gaffe" wasn't really wrong: the U.S. economy will dip, but it should come back

JOHN MCCAIN'S CLAIM THAT "THE FUNDAMENTALS OF OUR ECONOMY ARE STRONG," uttered just before the financial crisis turned dire, may go down as one of the great blunders of presidential-campaign history. "Senator McCain, what economy are you talking about?" Barack Obama exclaimed hours after the words escaped his opponent's mouth. The mocking TV ads soon followed, and as the weeks wore on and financial jitters gave way to near collapse and certain recession, McCain's statement began to evoke unsettling memories of Herbert Hoover, who said similar things in the early 1930s.

Less likely to be remembered is running mate Sarah Palin's defense. "He means our workforce, he means the ingenuity of the American people," she said. "And of course that is strong, and that is the foundation of our economy."

Palin was actually on to something. Our workforce and the ingenuity of the American people are in fact among the most important of economic fundamentals. And it's not at all crazy to argue that these fundamentals are still strong.

When economists talk about such matters, they focus on the concept of productivity. "Productivity growth," wrote economist (and now Nobel laureate and New York Times columnist) Paul Krugman back in 1990, "is the single most important factor affecting our economic well-being." It was growth in productivity—most commonly measured as economic output per hour worked—during the Industrial Revolution that powered the rise of the West out of millenniums of stagnation. It was

a productivity boom that ushered in America's postwar era of mass affluence.

And it was a lengthy productivity slump beginning in the early 1970s that created concern among economists such as Krugman. Low productivity growth explained much of what had gone wrong with the U.S. economy: stagnant wages, high inflation, ground lost to Japan. But what caused it? The most convincing explanation came from Northwestern



University's Robert J. Gordon. In the early and mid-20th century, he argued, the U.S. benefited from a spectacular confluence of technological innovation involving electricity, the internal combustion engine, petrochemicals and communications. By the 1970s the economic impact of innovation in these fields had waned, and nothing came along to replace it.

Until the mid-'90s, that is, when productivity growth rebounded, from about 1.5% a year to more than 2.5%. The engine apparently was the rise of the computer and the Internet. And the boom continued even after the technology bust of 2001. In 2006-07, productivity growth slumped to pre-1995 levels, before rebounding somewhat in the first half of this year. But year-to-year numbers can be confusingly noisy; it's the trend that matters. Gordon, who doesn't buy that

computers and the Internet are nearly as economically significant as cars, electricity and their ilk, thinks we're headed back toward the low pre-1995 productivity trend. The country's other most prominent productivity guru, Harvard's Dale Jorgenson, is more sanguine. He sees large swaths of the economy—health care, education, government—still waiting to be transformed by information technology and expects that to bring us another decade of high productivity growth. We'll have to wait and see who's right. In the meantime, if we average their latest projections, we get productivity growth of just over 2%, which isn't bad at all.

None of this means we won't see sharply rising unemployment and falling economic output in the coming months as we work off the financial excesses of recent years. Higher productivity makes higher economic growth possible; it doesn't guarantee it. What's more, a financial breakdown can trump long-term fundamentals for years. Gordon identifies the peak years of the 20th century's big wave of productivity growth as 1928 to 1950. A

lot of good that did anybody in 1932.

But assuming such a breakdown is averted—and recent government actions in the U.S. and Europe make that a plausible assumption—economic fundamentals, and productivity growth in particular, are going to matter a lot. Strong productivity growth makes inflation less of a threat, giving the Federal Reserve more leeway in battling recession. And because it enables more economic growth down the road, it could make it far easier to pay off the giant debts the Federal Government is incurring to save the banking system and the economy.

And so, if he wins, Obama may partly owe the presidency to McCain's claim that our economic fundamentals are strong. But once in office, the winner's job will be made a lot easier if it turns out, as seems likely, that McCain was right. ■

Assuming a financial breakdown is averted, economic fundamentals, and productivity growth in particular, are going to matter a lot

Passbook Protector

The job of the FDIC's Sheila Bair is a bear: balancing the rights of small depositors against those of the megabanks that Washington hopes will kick-start the economy

BY MASSIMO CALABRESI AND BARBARA KIVIAT/WASHINGTON

IF THE WIDELY TRUSTED BUT MOSTLY mysterious agency known as the Federal Deposit Insurance Corporation has ever had a public face, it was probably that of Lydia Lobsiger, the happy and relieved East Peoria, Ill., widow who in 1934 was the first American to get her little pile of savings back from the feds after a terrifying run on her local Fon du Lac State Bank. Now, almost 75 years later, the FDIC has been busy projecting a newer face, and it belongs to Sheila Bair, a 54-year-old lawyer from Kansas.

As the U.S. banking system undergoes its most wrenching overhaul in 70 years, Bair, chairwoman of the FDIC, has become the voice of ordinary passbook holders. Bair was front and center with Treasury Secretary Hank Paulson and Fed boss Ben Bernanke when they announced plans to recapitalize the U.S.

'We have multiple tools at our disposal ... and we are going to be bringing in more.'

—SHEILA BAIR, FDIC CHAIR

banking industry. But the three aren't always in perfect alignment. As guarantor of Americans' \$4.5 trillion in deposits spread around in some 8,500 U.S. banks, Bair is trying to balance both the needs of depositors like the storied Mrs. Lobsiger and those of big-name players like Citigroup who help generate much of the economy's torque.

On Oct. 12, for example, Bair was locked in meetings with Paulson and Tim Geithner, head of the New York Federal Reserve, trying to cut a deal that would get the money flowing to the big banks but would also generate enough in insurance premiums to protect the FDIC and thus the individual deposits that millions of Americans think of as safe. Paulson had

asked the FDIC to stand behind loans between banks. To Bair, that meant a whole new category of risks on her ledger and the prospect of greater FDIC payouts if the big banks cratered. In the end, Paulson and Geithner agreed to Bair's demand for higher insurance fees from banks getting federal bailout money; Bair agreed to guarantee the interbank lending.

The weekend tug-of-war was a reminder that Washington has all sorts of agencies that hum along unnoticed in good times but can become pivotal in a crisis. When that happens, the real fighting begins. In this case, the war between small depositors who have managed their money carefully and large, institutional banks that have gambled and lost is playing out across the American economy. So far, Bair has worried about Main Street while working overtime to limit the damage on Wall Street. In the past month, she's overseen the "resolution" (meaning, in a banker's lexicon, the "failure and sale") of the country's sixth largest bank, Washington Mutual, and helped negotiate the forced sale of superregional Wachovia bank to Citigroup (only to see the deal, in an embarrassing turn, break down when Wells Fargo snatched up Wachovia instead). She got Congress to boost the ceiling on deposit insurance temporarily from \$100,000 to \$250,000. And in a move to bolster the FDIC's finances, she wants to double the average premium that banks pay to have FDIC insurance.

Bair, a former aide to Bob Dole, had little idea what was in store when she took over the FDIC back in sleepy 2006. "They said this was going to be 9 to 5 and just an easy portfolio of issues," she said. But she quickly learned how far underwriting standards had fallen. A year ago, she rang the alarm with mortgage lenders and said they were not doing enough to help borrowers meet their house payments. "I thought," she recalled, "they were going to throw tomatoes."

As the crisis has deepened, Bair has insisted that the FDIC's coffers need support. Currently the agency has \$45 billion in reserves. That may not seem like much next to the \$700 billion Paulson just got from Congress, but Bair notes that in the past, the FDIC hasn't needed much. Even at the peak of the savings-and-loan crisis in the late 1980s, when thrifts were closing at the rate of one a day, the FDIC maintained its perfect record of returning every penny of every insured depositor's money, and Bair has preserved that record through 15 bank failures this year. That's partly because the FDIC, by law gets to tap a failed bank's assets before any other creditors get a crack at the safe.

But her demands for more money suggest that, as Bair told *TIME*, "more banks will fail." The FDIC's list of troubled banks jumped from 90 to 117 in the second quarter and will surely grow again. Bair is worried about all the new responsibilities her agency is taking on. The new rescue plan requires the FDIC to guarantee not just the new lending by banks but also unlimited deposits in special accounts used primarily by small businesses for things like payroll. Little wonder Bair is cautious: the new program is expected to cover \$1.9 trillion, a stunning 42% increase in total FDIC guarantees. In a worst case, widespread losses under the new program would be covered by a special assessment on participating banks.

Some familiar with the internal battles say Bair is too focused on the security of her own agency. "When the President says we're facing a systemic problem, should you really worry that you're not going to get your fund topped up by Congress?" asks one. But Bair knows that her chief role is to reassure everyday investors. "Your money is safe in the bank if it's FDIC-insured," she says. That's good. Because in the coming months, there may be many more modern-day Lydia Lobsigers. ■



The Renew Deal

Today's crisis isn't a repeat of the Depression. But we can still borrow lessons from the past

ARE WE WITNESSING THE BIRTH pangs of another Great Depression? Karl Marx once observed that history repeats itself, "first as tragedy, second as farce." But the record of the past emphatically suggests that we are not suffering through a play-by-play recapitulation of the catastrophe of the 1930s. To be sure, we may be brewing our very own 21st century economic calamity. But if so, it will be altogether different in its sources, scale, severity and duration from the last century's ghastly, decade-long, globe-girdling ordeal. It is only the consequences that may be similar.

Several chronic infirmities afflicted the international economic order in the 1920s: the massive destruction World War I inflicted on key economies like those of Britain, France and Germany, and the lingering distortions in trade, capital flows and exchange rates occasioned by the punitive Treaty of Versailles. Memories of the war's bitter fighting and vengeful conclusion had rendered the international atmosphere toxic, making a mockery out of the one transnational institution to have emerged from the conflict, the League of Nations. Adding to those abundant ills was the near religious faith in the sacred orthodoxies of *laissez-faire* and the gold standard—the economic equivalents of the Nicene Creed.

The U.S. was not immune to those ailments as the decade of the '20s reached its operatic climax, and it suffered from some others that were peculiarly its own. A stubborn agricultural depression had blighted the American countryside since the conclusion of World War I, crimping the incomes of the 20% of

the workforce who were farm laborers and significantly limiting domestic purchasing power. Meanwhile, a notoriously ramshackle, poorly regulated banking system had managed to wobble its dysfunctional way into the modern era. Some 25,000 banks—most of them highly fragile "unitary" institutions with tiny service areas, little or no diversification of clients or assets, and microscopic capitalization—composed the astonishingly vulnerable foundation of the national credit.

Government spending at all levels, though fairly stable even as the Depression set in, constituted only about 15% of GDP in the 1920s. Less than one-fifth of that was federal expenditures. "If the Federal Government should go out of existence, the common run of people would not detect the difference in the affairs of their daily life for a considerable length of time," said famously taciturn President Calvin Coolidge in one of his more long-winded (and accurate) assessments of the national scene. The Federal Government, in other words, was a kind of 90 lb. weakling in the fight against the Depression monster.

There are no equivalents to those circumstances today. The "real" economies of most major nations remain robust. No major war has disrupted international trade in more than a half-century. On the contrary, the explosion of global commerce in the past several decades has underwritten prosperity not only for developed countries but for many other nations as well—notably China, India and Brazil—lending today's world economy degrees of diversity, dynamism and resilience that simply did not exist eight decades ago. The abandonment of the gold standard has opened space for countries to adjust their monetary and fiscal regimes without fear of deflation or devaluation. And a landscape populated by an array of multilateral institutions like the IMF, the World Bank and the WTO has nurtured habits of international economic cooperation in times of



crisis, as witnessed by the recent round of consultation among the G-7 countries and the coordinated efforts of finance ministries and central banks around the world to restore confidence and liquidity in the credit markets.

At home, agricultural employment today, at less than 2% of the labor force, is markedly smaller than what it was, and though sectors like the car and financial-services industries have been hit hard by the current downturn, none is nearly as sick as agriculture was throughout the 1920s. And for all the current ills of megabanks like Washington Mutual and Wachovia, the national banking system still enjoys a measure of stability far greater than in the 1930s—or even the '20s. The kinds of "runs" on savings institutions that we watch Jimmy Stewart battle every Christmas season are all but unimaginable, thanks in large measure to the psychological reassurance provided by a landmark New Deal innovation, the Federal Deposit Insurance Corporation (FDIC), whose authority to guarantee bank deposits has recently been expanded. And today's federal outlays make up nearly 20% of GDP, with state- and local-government spending adding another 10%—weighty ballast in the face of economic bad weather.

Today public opinion isn't unanimous about what should be done, but it is virtually unanimous that something must be done



Misery index A Walker Evans portrait of Americans waiting in line for food in Forrest City, Ark., February 1937

The Great Depression may have been triggered by a financial crisis, but its lasting story is written in the miseries of massive unemployment. Some 25% of the labor force stood idle in 1933—a rate that never went below 14% for the remainder of the decade. No unemployment insurance backstopped laid-off workers or kept communities going when paychecks disappeared. Given the demography of a workforce in which scarcely any married women toiled for wages, a 25% unemployment rate effectively meant that nearly 1 in 4 households had no income in 1933.

A similar unemployment rate today, when a majority of women, both married and single, are in the workforce, is fearful to contemplate. But it would be unlikely to translate into equivalent hardship for individual families. And thanks to Social Security, a solid floor of support exists for elderly Americans—which guarantees a minimum level of consuming power for the economy as a whole.

These material and structural differences between the Depression era and the crisis we face today are significant. But

the most important and consequential differences lie in the realms of ideas and attitudes, especially regarding the role of government. Consider what might be called “the tale of two Secretaries.” Treasury Secretary Hank Paulson (along with Federal Reserve Chairman Ben Bernanke, who presides over an immeasurably more potent Federal Reserve system than existed in 1929) has acted with vigor to bring the full powers of the Federal Government to bear in the current crisis. In dramatic contrast, when Herbert Hoover asked his Secretary of the Treasury, Andrew Mellon, for advice on how to cope with the financial implosion of 1929, Mellon replied, “Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate. It will purge the rottenness out of the system.” Echoes of that old-time sentiment can still be heard today, but they are mere vestiges of the stifling tyranny of laissez-faire thinking that paralyzed so many governments in an earlier era.

Franklin Roosevelt wondered frequently during the 1932 electoral campaign at what he saw as the surprising docility of the American people in the face of the Depression. “Repeatedly he spoke of this,” his aide Rexford Tugwell recalled, “saying that it was enormously puzzling to him that the ordeal of the

past three years had been endured so peaceably.” That odd passivity has intrigued historians, who have noted that it forced Roosevelt to simultaneously invent the tools to combat the Depression and establish their very legitimacy in the eyes of the people.

Today the debate about the legitimacy of government’s role is largely ended. What argument remains focuses on the efficacy and fairness of various policy choices, not on the idea of intervention itself. Public opinion is far from unanimous about what should be done, but it is virtually unanimous that something must be done. That represents a seismic shift in popular attitudes.

It is now inarguably clear that what we know as the New Deal was important not for ending the Depression—it didn’t—but for putting in place a host of creations like the FDIC, Social Security, unemployment insurance, the Securities and Exchange Commission and a vastly strengthened Federal Reserve system. Complemented by the multilateral bodies that were spawned at the end of World War II, these institutions formed a latticework of stability and security on which the nation’s and the world’s economies grew so robustly that a new word, *globalization*, was coined to describe the results.

Recent events have demonstrated, though, that rampant globalization has outpaced intellectual and political innovation. Exotic investment instruments like credit-default swaps and collateralized debt obligations have eluded meaningful monitoring, baffled regulators and investors alike and raised hob with markets worldwide. What is now manifestly needed is a round of creative institutional invention like what the New Deal gave us. Then history will have repeated itself neither as tragedy nor as farce but as common sense and consequential reform. ■

*Kennedy is a professor of history at Stanford University and author of the Pulitzer Prize-winning *Freedom from Fear: The American People in Depression and War, 1929-1945**

Does Temperament Matter?

Call it reflexes in a crisis. Or instincts under pressure. The qualities that a President needs to succeed are both essential and elusive

BY NANCY GIBBS

OF ALL THE FALSE INTIMACIES of modern life, the promise of a presidential campaign may be the most misleading. We think we know these men well enough to judge them. They come into our living rooms every night, plying us with insight and confession; we know the prayers they say and the beer they drink, their tics, their tastes, their talismans.

But both John McCain and Barack Obama insist that there are things a campaign can't tell you about the temperament of an aspiring President. "Who is the real Barack Obama?" McCain asks, as he runs ads attacking his opponent's "bad instincts" and dangerous lack of judgment. Obama argues the reverse: You can't trust McCain because the one thing you know is that you never know what he'll do next. He's an impulsive hothead who is "erratic in a crisis." Is that really the guy you want steering through a storm?

That Obama's fortunes rose as the markets sank shows how central temperament has become in the homestretch of the presidential race. Only weeks ago, you might have expected that McCain's greater experience and his courage in the clutch would lift him as a leader in a moment of crisis. Yet the turn of the polls suggests the reverse; without taking a dramatically different approach on substance, Obama won this round on style and disposition. Both candidates supported the bailout, and both call for tax cuts and policing of markets, but in tenor, they were polar opposites. In the final debate, McCain grit-

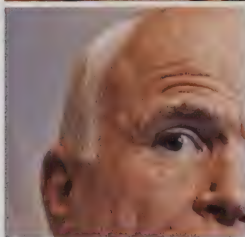
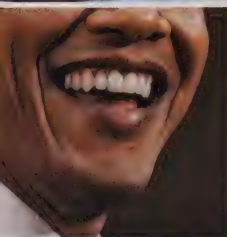
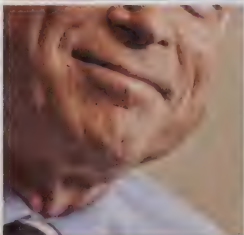
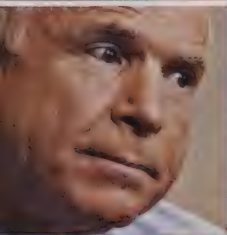
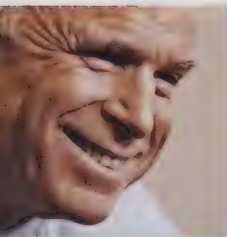
ted his teeth with annoyance while Obama resisted taking the bait. But temperament is in the eye of the voter. Is one response evidence of composure and self-possession—or of being too laid-back and unassertive? Is the other response a sign of urgency and decisiveness or a frantic lack of control?

A funny thing happens when you sit down with historians and ask them what presidential temperament is and when it matters and whether voters make a mistake to let it count for much. What emerges is that temperament is as elusive as it is essential. George W. Bush probably wasn't lying in the 2000 campaign when he promised a humble foreign policy. He just had no idea what was coming. F.D.R. probably was lying when he promised the anxious parents of 1940 that "your boys are not going to be sent into any foreign wars." Always be sincere, Harry Truman said, even if you don't mean it. The presidency is less an office than a performance: Who saw the gloom and glower behind Eisenhower's incandescent grin? This is why temperament descends easily into caricature: the feisty G.I. Joe, the cool-as-crystal Kennedy, the Vesuvian Lyndon Johnson. "We've taken temperament and turned it," warns presidential historian Richard Norton Smith of George Mason University, into "vaudeville."

So at this crucial moment, what do we make of the two men before us, the passionate Maverick and the cool-headed Hopemonger, Mr. Fire and Mr. Ice? Does the crucible of a campaign actually give you a glimpse of their souls? And does

Fiery
McCain's supporters see a heroic personality; his critics call it a liability

Cool
Democrats often pushed Obama to get tough, but he stuck to his no-drama game plan



anything that happens on the trail have any bearing on what would happen after they take the oath of office?

What Qualities Matter?

MEETING FRANKLIN ROOSEVELT, WINSTON Churchill said, was like opening your first bottle of champagne. "Knowing him was like drinking it." Temperament is a special subcommittee of character: it is less intellect than instinct, more about music than lyrics—the quality voters sense when they watch a candidate improvise or when he thinks no one is looking. It's why newspapers run profiles quoting kindergarten teachers; temperament is formed early. "You can call it balance. You can call it a sense of proportion. You can call it maturity, good judgment," says historian David McCullough. "One of the clearest lessons of history is that there's no such thing as the foreseeable future, and particularly in traumatic times such as we have now, temperament is of the utmost importance."

But what type of temperament matters, especially in a time like this? The idea that anyone can grow up to be President is an American gospel, but that's about honoring equality not excellence. It's good to be smart, but that's no guarantee of success; Woodrow Wilson, the only President with a Ph.D., never won over a majority of voters. More important is the confidence that lets you welcome smart people around you—and hope they disagree. Hence Lincoln's famous "team of rivals," says biographer Doris Kearns Goodwin. "How can you do this?" people asked him when he stocked his Cabinet with former adversaries. "He said, 'Look, these are the strongest and most able men in the country. The country's in peril. I need them by my side.' He had the internal self-confidence to know that if he could get them working together as a team, it would be exactly what he needed for his leadership."

Perhaps even more important than intelligence is vitality: Tiger beats Eeyore any day. F.D.R.'s success, argues Goodwin, reflected as much his infectious optimism as his eloquence: "To have gone through his own adversity with polio and still remain optimistic and upbeat—all of that was what he projected to the country during the Depression," she says. "They had faith in themselves because he had faith in them." McCain has his fortitude forged by fire in a prison camp; he throbs with an energy of someone who has never stopped making up for lost time. He burns more calories sitting in a chair than most people do shoveling snow. Obama is upbeat but never giddy, sunny without being blinding.

Resilience helps too; every President



HERBERT HOOVER

The Engineer

Reputation An engineer, Hoover came off as hard-hearted for preaching self-reliance in the throes of the Depression

Reality Today scholars say he was far more caring and competent than he let on. Perhaps his great failure was not being able to demonstrate it to those in need



will get thrown back against a wall and need to come back stronger. Just ask Bill Clinton. So do steadfastness, persistence, conviction. But as soon as you make the list, it mocks you, for history is a dance of luck and intent, and sometimes they trip each other. Wilson was strong enough to win a war but too stubborn to save the peace. Herbert Hoover was "the Great Humanitarian" who saved Belgium from starvation; under the right circumstances, he could have been a great President. But his temperament undermined his talent; he never understood that politics was more art than engineering. He later recalled that after growing up in Iowa as a Quaker orphan, he was 10 years old before he realized he could do something for the sheer joy of it without offending God. "Now that's a lesson from his early days that I think crippled him temperamentally," says Smith, "particularly as the kind of empathetic leader that we desperately called for after 1929."

Temperament is a special subcommittee of character: it is less intellect than instinct, more about music than lyrics



FRANKLIN D. ROOSEVELT

The Optimist

Reputation Charismatic and confident, the polio survivor had an upbeat outlook and a feel for reform that helped lift America out of the Depression

Reality Scholars debate how much F.D.R. actually knew about the issues. Some say he hedged his bets and got lucky



The problem for voters today is that crisis comes in triplicate: Would McCain be better suited to the challenge of another terrorist attack? Is Obama's deliberative style more likely to yield progress against a challenge like climate change? And who can navigate a path through an economic crisis hardly anyone understands? Not only can't you know what a President will face, but his reflexes in one crisis may not be typical of how he responds to another. President Kennedy's temperament has been defined by his ingenuity and cool head during the Cuban missile crisis. "That's not necessarily representative of how he was during his Administration," notes historian David Coleman of the Miller Center of Public Affairs, citing the Bay of Pigs, Vietnam and race relations. "There was a tendency to put off decisions, whether it was foreign or domestic policies...to maintain as many options as you can."

Every man is a moon, Mark Twain liked to say, with a dark side he doesn't show anybody. The set pieces and careful debates tell us only how candidates want to be seen. Nixon could be a statesman in public and a hit man in private. Eisenhower was the amiable uncle—except that it was known around the White House that if the President was wearing a brown suit that day, stay away or risk his wrath. His reputation as an indifferent manager evaporated once scholars got a look at his papers, which showed

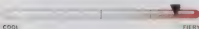


HARRY S. TRUMAN

The Plain Speaker

Reputation A folksy champion of the common man, whose Midwestern frankness was something overgrown Washington needed

Reality He had a horrible temper that could get the best of him; what seems charming now was seen then as sometimes crude



LYNDON B. JOHNSON

The Arm Twister

Reputation A storied hardballer who strong-armed lawmakers to get Great Society bills passed

Reality L.B.J. was needy and anxious about his place in history and often told those whose help he wanted how much he "loved" them



a much more engaged and sophisticated player than the avuncular image he cultivated. It is widely believed that Presidents who are good at handling people, who have high emotional intelligence, stand a better chance of pushing their agendas through. But "we put so much emphasis on character because of Nixon," says David Gergen, an adviser to four Presidents. "Until Bush came along, we'd forgotten how important judgment also is."

Two Early Baptisms

WHEN BARACK OBAMA WAS 6 YEARS OLD, he was the only foreign child in his neighborhood in Jakarta, Indonesia. He didn't know the kids, didn't speak the language. At first the locals were a little freaked out, says Zulfin Adi, 47, who as a kid lived a block from Obama. "He was so much bigger than the rest of us." So they decided to haze him. One day a group of children ambushed him, carried him to the local watering hole and threw him in. They had no idea if he could swim. But when Obama came to the surface, he was laughing. He could have broken free and crushed them anytime he wanted, but it was much better to play it cool, ride it out and make friends with his adversaries.

John McCain was not quite 2 years old when his parents despaired of managing his tantrums; he would go into a "mad frenzy," he says, holding his breath until

he passed out and fell to the floor. A Navy doctor offered a prescription: whenever McCain erupted, his mother would shout to his father, "Get the water!" Then his parents would fill a bathtub with cold water and drop their fully clothed son in. "Eventually," McCain recalls in his memoirs, "I achieved a satisfactory (if only temporary) control over my emotions."

Those watery tales have now grown into full-blown clichés. Obama is aloof, self-possessed, cool under fire; McCain is passionate, impetuous, hot under the collar. Each one makes a virtue of his temperament as the right setting for the current climate. Americans, McCain says, "expect me to get angry, and I will get angry, because I won't stand for corruption." His impulsive intervention in the bailout negotiations suited his narrative as an action hero: Suspend the campaign! Postpone the debates! His message is practical, real world, get it done; someone around here has to know when to pull the trigger. He sees Obama as a shooting star, all speed and vapor. To McCain, words aren't a form of action; only acting is a form of action. "To encourage a country with only rhetoric," he says, "is not a promise of hope. It is a platitude."

But some veterans of Arizona politics paint a more complicated picture of McCain than as just a crusader against corruption. They talk of bullying and intimidation, of meetings when he banged the table so

hard they feared it would split. In one case, recalls former Arizona Senator Dennis DeConcini, when he refused to fire an aide who had annoyed McCain, "to put it politely, he told me that I could go do something with myself." DeConcini, a Democrat, says that "in my eight years with him, I learned that John just hates it when you disagree with him. If you press it, he just falls back on his patriotism. And then he blows up." The sense that you're never sure which McCain you'll get feeds Obama's case that being an unpredictable "maverick" may not be the model you want in times that call for methodical decision-making. But McCain's defenders cite another soldier turned politician who was legendary for his temper: George Washington. Those who rise in the military, notes Virginia Senator John Warner, "are people of strong will, of brevity, giving orders and commands. I just hope the people that occupy the presidency are people of strong will."

Warner first encountered McCain in 1973 when he was serving as Secretary of the Navy and read the intelligence reports on the young row. They soon became friends and eventually Senate colleagues on the Armed Services Committee, often working in closed-door sessions where members would not need to moderate their passions for public consumption. "I have not, in all those years, ever witnessed any moment when he wasn't in complete control over what he was saying and doing," says Warner. Several other politicians even suggest that McCain's outbursts are not irrational but calculated for effect, to help him push his agenda.

Obama, meanwhile, is running a campaign with the unofficial motto No Drama Obama. He handles emotion with rubber gloves and tongs, as though he has internalized Napoleon's dictum that the heart of a statesman should be in his head. His body language is restrained, his emotional range narrow: "I don't get too high when I'm high, and I don't get too low when I'm low," he says. "That, I think, is a temperamental strength."

If McCain used the market meltdown to advertise boldness, Obama used it to show steadiness. "Presidents are going to have to deal with more than one thing at a time," he said, dismissing McCain's back-to-Washington gambit as an inability to multitask. Since he hasn't nearly as much experience handling a crisis as McCain does, he's used his campaign itself as a stand-in, one long test of nerves. He resisted calls to take a hatchet to Hillary Clinton a year ago; as McCain gained ground in September, Democrats demanded that Obama get hotter and meaner. But he barely touched the thermostat. It's hard for McCain to charge

that we don't know who Obama really is when he has been the most disciplined Democrat voters have seen in years.

But that consistent coolness has a cost. The most successful Presidents have had a gift for projecting warmth during the chilliest times: Teddy Roosevelt, famously coolheaded in a crisis, had his teddy bears; F.D.R. warmed the shivering nation with his fireside chats. When Obama sneered to Hillary that she was "likable enough," when he talks about feelings rather than feeling them, when a voter tells him about a tragedy and he pivots into policy, it can make you wonder where his real passions lie. "You have to have a fire inside," Gergen says. "An ambition for the nation, an internal, fierce desire for change, for new accomplishments, higher goals."

McCain suggests that Obama is risky because he never takes any risks. When has he ever stood up to his own party? McCain asks. "What has this man ever actually accomplished in government?" The questions are legitimate because we know there are times when a President has to gamble, and yet we know very little about Obama's appetite for it. When George H.W. Bush marshaled dozens of allies to push Saddam Hussein out of Kuwait, when Ronald Reagan stared down the Soviets with intermediate-range missiles, when F.D.R. went off on a Caribbean cruise and dreamed up the lend-lease program—and then managed to sell it to a highly skeptical public—all represent moments of leadership that required brinkmanship as well as salesmanship, a flair for grand strategy as well as a fine sense of tactics.

On the other hand, if Obama has run a risk-averse campaign, and McCain at times a reckless one, it may reflect reality as much as reflexes. "Two candidates aren't starting on a level playing field," argues Russell Riley of the Miller Center of Public Affairs. "We hear a lot about John McCain throwing Hail Mary passes. Well, there are certain times in football games when a Hail Mary pass is called for." At a time when the GOP is in shambles and its brand worth about the same as mortgage-backed securities, any Republican candidate would need to change the dynamic of the game. You can judge how well he throws the pass, but you have to value him with some kind of discount, Riley says, "as opposed to a candidate who inherits a four-touchdown lead with 10 minutes left to go on the clock."

TIME Roundtable

What Kind of Temperament Is Best? Four historians discuss how the personalities of Presidents can determine how they handle crises

TIME RECENTLY GATHERED four presidential historians—George Mason University's Richard Norton Smith, Yale University's Beverly Gage, and Russell Riley and David Coleman of the Miller Center of Public Affairs at the University of Virginia—to discuss presidential temperament: what it is, who had it and how much it matters in the White House. An excerpt of their conversation:

Gage: What people are trying to get at when they use the word *temperament* is something along the lines of instinct—how someone approaches a situation and particularly, I think, how someone approaches a crisis.

Riley: It's a little bit easier if you're talking about an 8-week-old child to figure out what temperament is. There are two basic questions: Does she fuss a lot? And

how does she sleep at night? ... You could do worse than starting with that if you're talking about a President or a presidential candidate. Does this person fuss a lot? ... Do the demands of the office wear on this person in a way that makes it difficult for him to think straight? Obviously, you don't want a Calvin Coolidge, who reportedly slept 11 hours a night and took naps in addition to that.

But you want somebody who can take the burdens of the office, especially in an environment like we're in today, and manage those in a way that is smart, is well informed but doesn't break the person.

Smith: Post-Reagan, there's a whole school of thought that says the Coolidge model of the presidency at least can be taken seriously ... I have problems with this word because

I find it terribly elusive. As a biographer, I'm tempted to say [temperament] is a distillation of life's experiences that leaves a residue, if you will ... There are Presidents for whom it is very easy to say what their temperament is. Harry Truman is a classic example. Probably Lyndon Johnson would be another example. Ronald Reagan [is another], but there are others for whom I'm not sure it works quite as well.

Coleman: I'd also probably add an interactive element, in the sense that it's a guiding way of how a President—or for that matter, anyone—interacts with people, information and events ... The President's temperament really defines the kinds of information that's going to come to him, the kinds of advice he's going to get, how people are reacting in the room.

Gage: Well, maybe the question is ... To what degree does it matter? So we think of someone like L.B.J., who everybody knows had this very ... volatile temperament. He liked to kind of intimidate his staffers, bring them close, and you had this whole approach. And the question is, So to what degree did that mat-



After the assassination attempt Though his wounds nearly killed him, Reagan joked with doctors and aides about being shot. His popularity soared

The Perfect Temperament

BOTH MEN HAVE SHOWN THEY WILL DO what's necessary to win. For Obama, that meant trimming positions on offshore drilling, gun control, NAFTA, Cuba, public campaign funding, FISA. And in choosing Joe Biden, he acknowledged that when it comes to making change happen, a working knowledge of the old ways may still be useful. McCain has reinvented himself as well, arguing against the Bush tax cuts when they were temporary but now wanting to make them permanent, which is like marrying someone you didn't want to date. Eight years ago, he waffled on *Roer*; now he wants to overturn it. He now denounces Supreme Court justices he voted to confirm.

This is the first election in our lifetimes,

and maybe ever, when almost 9 out of 10 people think the country is going in the wrong direction. We have bridges falling into our rivers and children dropping out of our schools and an abiding sense that the American Century that let us shine as a beacon to the world is giving way to one in which we can't afford the electric bills. And yet the historians sitting around the table are more comfortable with ambiguity than is a voter heading into the booth. Even in crisis, they say, there is no perfect presidential temperament. "You want the right blend of confidence and humility," argues Yale historian Beverly Gage. "And you want someone who has the confidence to make big decisions, to act in crisis, but who also has the humility to listen to other people, to be flexible in those moments. So

when does confidence become arrogance, and when does humility become insecurity and inability to make decisions? All of these are so elusive, it doesn't seem that you can come up with a single prescription."

"Well, actually, I think I have," says Riley, with a smile. And now we are listening, as citizens and as students. "Gerald Ford's fundamental decency. Jimmy Carter's discipline. Ronald Reagan's sunny optimism. George H.W. Bush's diplomatic instincts. Bill Clinton's intellectual curiosity. And George W. Bush's dogged determination."

Now all that voters must do is find the candidate who fills that prescription.

—WITH REPORTING BY LAURA FITZPATRICK/NEW YORK, JAY NEWTON-SMALL/WITH OBAMA, AND NATHAN THORNBURGH/NEW YORK ■



The Cuban missile crisis

When John F. Kennedy went eyeball to eyeball with Moscow, he defined cool under fire. The rest of his tenure wasn't always so smooth

ter? To what degree did that change political outcomes?

Coleman: L.B.J. did like to twist arms, to say the least—the so-called L.B.J. treatment. But this was usually done on a very private level... Now, the L.B.J. who got up onstage in press conferences wasn't that L.B.J., at all, and a lot of people would say that the L.B.J. in press conferences and in public was not nearly as effective. That L.B.J., probably couldn't get a lot done. But the L.B.J. in private was able to get things done, and you could—you can credit

that type of personality, that kind of temperament, where he was sort of hot and cold to Congressmen and Senators, that he would sort of reel them in, push them back, reel them in. I mean, it wasn't just intimidating them; it was also reeling them in. The number of times we hear him on the telephone tapes telling friends and enemies, "I love you." This is an unusual thing to hear... Nixon, I think, is another good example, where in public he could, with some exception, be quite statesmanlike. He could be the world statesman. You listen to

him in private, and it's a very different person.

Smith: In a more benign way, I would point to Eisenhower... It was famous around the White House that if [he] was wearing a brown suit that day, stay away, because you didn't want to be around him. George Washington spent a lifetime trying to control his temper, not always successfully. Eisenhower probably did a more successful job, but that's not public... On a brown-suit day, he was irritable. He could be curt, but... most of the time, [he was] much more po-

litically sophisticated than he wanted the public or the press to believe.

Coleman: [like] had this reputation of being hands-off, that he wasn't interested in getting his hands dirty into policy, the standoffish meetings. And then once the papers come out in the '80s, you start to realize, Hang on—this guy knew what was going on.

Gage: The question of temperament can come to stand in for when there just don't seem to be a lot of other ways to predict someone's behavior... and you've seen this much more in campaigns. George W. Bush is a good example. [He appeared] to be just very flat during the campaign. It was hard to tell what he thought ideologically. And how he behaved in office, of course, was different in those terms... I was just trying to think of examples of moments that have become kind of our iconic moments of ideal presidential temperament. The Cuban missile crisis seems to be one. [Franklin] Roosevelt's first 100 days, I would argue, particularly because so many people are making comparisons with the present day, is another one that I think [is] often held up as a moment in which tempera-

ment, personality, the ability to lead and remain calm in crisis really matters.

Riley: [I would add] Reagan's survival of [an] assassination attempt, which had a profound effect on budget policy at that time, because Reagan was founding a little bit during the early phase of his presidency... He'd come out of an election—he had won an election that was closer than the score indicated... but his grace literally under fire in that event, joking to the doctors as he was going under, and his recovery, I think, is a very good illustration of how, in an extreme set of circumstances, one's temperament can have an influence on politics.

Smith: But that's also a great example of a President in effect not simply exercising crisis management but coming out of that crisis having established a kind of emotional bond with people and banking political credit that he can call upon down the road when things inevitably become more difficult. Maybe think of F.D.R. in March of 1933—I would argue that there really was never a majority of Americans who bought into the right-wing notion of Stalin Delano Roosevelt, because at a critical moment, F.D.R. established a kind of credibility... God knows he was controversial. God knows he was polarizing. God knows he made mistakes. But that credit and credibility stayed with him all the way.

Riley: Two other examples: with Richard Nixon, I mean, it's impossible to think about Watergate without thinking about Nixon's temperament, his sort

of dark sense of enemies everywhere. And Bill Clinton—[his] failure was a deeply personal failure with Monica Lewinsky, and it's a failure of discipline. I mean, this is a man who knew that... for years there were people out to get him, and he, even in that environment, didn't have the personal discipline necessary to avoid creating a problem that... for all of his story will dog him.

Coleman: Would you say that his instincts failed him or his instincts led him to that?



Gage: We're getting a little mixed up with character and temperament. They're really hard to distinguish, but I think there is a way in which what Clinton seemed to lack was... a personal filter or the ability to filter his own desires.

Riley: [Clinton] knew this was a wrong thing to do. All right, that's a character failure. But there is also a temperamental failure, which is a lack of discipline and a lack of what for a better term would be an inability to learn from past experience, an inability to adapt to a hostile

environment. I mean, this is somebody who's extremely, extremely bright and yet in this particular instance could not see that all of the previous failures or all of the previous difficulties that he had had with this issue would come crashing down around his head if he didn't remain loyal to his wife and his family.

Smith: Except, in a public-policy sense, you could argue the success of the Clinton presidency stemmed from

The Lewinsky affair Clinton misjudged both his enemies and his own weaknesses. Impeachment followed and almost cost him the presidency

his ability to adapt rather brilliantly to the hostile climate created by a Republican Congress.

Gage: The moments, again, that we seem to come back to... when we're talking about temperament are moments of crisis. Right? And so, to the degree that being President means that you are experiencing moments of crisis, moments of responsibility that very few people ever have to experience and that you are tried in ways that you have never been tried before, there are aspects of an individual that come out

in those moments that have been unseen before and untried before.

Coleman: I would argue that voters expect temperament to matter more now. And that you could trace back to the compressed timelines for decisions now and look at the nuclear age, the push-button age... There is a reason now that the whole 3 a.m. phone-call test resonates.

Smith: But we have to draw the line between the issues... and television and the fact that these people come into our homes now 24/7. They become adjunct members of the family. One reason why I think we have lots of one-term Presidents is because they wear out their welcome like any sitcom character... The single greatest problem confronting the presidency is overexposure.

Riley: I didn't hear the first presidential debate—I was coming back from abroad—but I saw a picture of [Obama and McCain] afterward... I thought, This is an interesting example of a case where you would sort of want to see both of those personalities or temperaments blended together. You've got a kind of a hot and a cold, and maybe this is an example where the framers of the original Constitution had it right and the framers of the 12th Amendment had it wrong. Before we adopted the 12th Amendment, the President was the candidate who got the most votes, and the Vice President was the candidate who got the second most votes. And because of the advent of political parties, that turned out to be a very bad idea. But in the current environment, I thought this may be one of the few times in American history where the original framework actually was right. Maybe we would benefit from having both of these guys in the White House at the same time.



The presidential-historian panel From left, the Miller Center's David Coleman, Yale University's Beverly Gage, George Mason University's Richard Norton Smith and the Miller Center's Russell Riley

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The Drive for 60. It was a fantasy a month ago. Democrats now eye a filibuster-proof Senate

BY KAREN TUMULTY/WASHINGTON

ONLY A MONTH AGO, BRUCE LUNSFORD looked like a bad bet to unseat the most powerful Republican on Capitol Hill. A businessman who twice failed to become Kentucky's governor, Democrat Lunsford seemed not much of a match for minority leader Mitch McConnell, who has spent 24 years in the Senate. McConnell's campaign has raised nearly \$18 million, while Lunsford had to loan \$5.5 million to his. But where polls as recently as mid-September were showing Lunsford running 13 or more points behind McConnell, several since then suggest the race is a dead heat, and the national Democratic Party has begun pouring TV money into a state it had all but written off. Lunsford traces the sharp turn in his fortunes to a single moment: "When they passed a bailout for Wall Street, it seems people all of a sudden got really focused."

Just as the financial crisis has lifted Barack Obama and Joe Biden, it is boosting the prospects of the party's House and Senate candidates across the map. "There are states where we never thought we had a chance that we now do—like Georgia," says Senator Charles Schumer, the New Yorker who heads the Democratic Senatorial Campaign Committee. Indeed, though Georgia incumbent Saxby Chambliss was sitting on an 18-point lead in September over former state representative Jim Martin, the latest polls have Martin pulling within 3 points of the incumbent. Four other GOP Senators—Elizabeth Dole of North Carolina, John Sununu of New

Hampshire, Gordon Smith of Oregon and Norm Coleman of Minnesota—trail their Democratic challengers in the most recent polls. Mississippi's contest between Republican incumbent Roger Wicker and Democratic former governor Ronnie Musgrove is too close to call. And there are two other states—Virginia and New Mexico—where Democrats appear certain to win seats being vacated by retiring Republicans.

Even before the political landscape turned toxic, Republicans were struggling. They are defending nearly twice as many seats as are the Democrats and were hit by a wave of retirements. What makes the turnaround more striking is that the Democratic challengers aren't particularly strong candidates. Several are inexperienced; others are more liberal than their states. Many seemed almost struck dumb when, as gasoline prices soared this summer, Republicans hit on the suddenly popular idea of drilling for more oil. But the market meltdown has

replaced \$4-per-gal. gas as voters' top concern, and ever since Herbert Hoover, voters have looked to Democrats in economic hard times. "We're not catching a break," laments Nevada Senator John Ensign, Schumer's GOP counterpart who runs the National Republican Senatorial Committee.

That a loss of four seats is now considered the GOP's best-case scenario tells you how dramatically the party's fortunes have changed. But the real question is whether Democrats can pick up the nine seats they need to grab a 60-vote, filibuster-proof majority in the Senate. At this point, the answer still seems to be probably not. But such able handicappers as Jennifer Duffy of the *Cook Political Report* now think the Democrats could gain as many as eight seats, which would mean they would need no more than a single GOP vote or so to prevail on any given issue. That would also give them the cushion to do the one thing that many of them have been itching to do most: kick Joe Lieberman out of their caucus and strip him of his committee chairmanship for supporting John McCain.

Looking desperately for a redoubt, some Republicans are returning to the last refuge of incumbents: pork-barrel spending. McConnell now claims to have delivered \$500 million in taxpayer funds to his state in the past year for projects that range from riverfront development to mobile health care units. By comparison, he says, the most pork any freshman Democratic Senator delivered to a state last year was \$16 million. "This is an election about whether or not we want Kentucky to go back to ... the back row, to go back to being a small state with little or no influence, or whether we still want to be a major player," McConnell said at a recent campaign stop.

Fighting back, Lunsford argues that pork projects don't make up for the economic policies McConnell has shepherded through the Senate. "Kentuckians don't have a chance to vote out George Bush," he says, "but they do have a chance to turn out his henchman." Election Day will determine whether voters are angry enough to do just that. ■



Mitch McConnell

The GOP Senate leader is now in a tighter-than-expected race with Kentucky Democrat Bruce Lunsford



Elizabeth Dole

Once thought to be nearly invincible, she is running behind Democrat Kay Hagan in recent North Carolina polls

State of the Senate

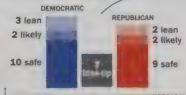
The Senate is split down the middle ...



... but more GOP seats are up for election this year ...



... and according to current polls, here's how those 35 races are shaping up



Note: Both seats in Mississippi are up for election; one is a safe Republican, the other is a toss-up. Both seats in Wyoming are up for election; both are safe Republican. Source: Cook Political Report



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The Mars Ships: Where Are They Now?

ORBITERS

The thin Martian atmosphere keeps spacecraft orbiting a long time. The **Viking 1 and 2** orbiters arrived in 1976 and are still aloft, though they've been off-line since 1980. **Mars Global Surveyor** arrived in 1997 and last spoke to Earth in November 2006



Three active orbiters—one European, two U.S.—circle Mars



Mars Odyssey



Mars Express Orbiter (European)

Phoenix
May 25, 2008, to present

Pathfinder
July 4, 1997, to Sept. 27, 1997

Opportunity
Jan. 25, 2004, to present

Viking 1
July 20, 1976, to Nov. 13, 1982



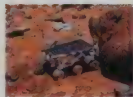
LANDERS



Viking 1 and 2

Status: A success. Resting in peace since 1982

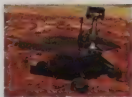
Mission: Two landers and two orbiters gave Mars its first good going-over. The landers and orbiters beamed back thousands of images. The landers scooped up soil, and on-board labs sampled it in a first search for life. The verdict: nothing so far.



Pathfinder

Status: A success. Went silent 11 years ago

Mission: Pathfinder fans loved to call it plucky, a description earned by its 1-ft. height and rugged design. The first rover proved that it was possible to bounce down on Mars with the aid of air bags and then drive about on the surface. In less than three months of life, it returned 2.6 billion bits of information on Mars and volumes of photographs.



Opportunity

Status: Ongoing. Suffers from an arthritic arm

Mission: The rover just exited Victoria Crater after a year exploring, inside and is heading southeast toward Endeavour Crater. The 7-mile (12 km) journey could take two years. On the way, Opportunity will study relatively young ground as well as rocks scattered across the surface by the meteorite strikes that created the local craters.

Spirit

Status: Healthy, despite a bad front wheel

Mission: Spirit continues to explore the 93-mile (150 km) Gusev Crater, in which it landed in 2004. At the moment, the rover is dormant as it waits out the Martian winter. Controllers parked it on a south-facing slope to keep its solar panels exposed to sunlight. When the season changes, Spirit will roll on.



Viking 2

Sept. 3, 1976, to
April 11, 1980

Mars: Pop. 6

No gridlock yet, but traffic on the Red Planet is getting heavier

BY JEFFREY KLUGER



Spirit

Jan. 4, 2004,
to present

Mars 3

Dec. 2, 1971
Soviet Union
First successful
landing; ceased
transmission within
seconds

Future:

NASA rover
expected
to launch in
2009. Orbiter
planned for
2013

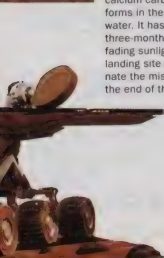
Mars
Reconnaissance
Orbiter



Phoenix

Status: Perfectly fit, but its time is dwindling

Mission: The stationary lander has found subsurface water ice as well as calcium carbonate, which forms in the presence of water. It has exceeded its three-month life span, but fading sunlight in its polar landing site should terminate the mission before the end of the year.



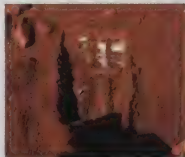
NEVER MIND THE IMAGE OF MARS AS a dead and desolate world. The Red Planet has lately become one of the busiest little places in the solar system.

The past decade has been something of a Martian era of space exploration. Since 1996, the U.S. alone has launched no fewer than nine spacecraft Marsward, and seven have arrived in one piece—an extraordinary success rate for a planet that historically had been a bit of a graveyard of failed missions. Currently, six ships—five American and one European—are at work on Mars, and a handful of others sleep peacefully on the surface or orbit silently above, their missions completed and their systems exhausted. While a lot of the work the spacecraft do is the quiet business of spelunking and air-sampling that thrills mostly space geeks, in recent weeks the news from Mars has been compelling.

On Sept. 29, NASA announced that a laser instrument aboard the Phoenix lander, which touched down north of Mars' arctic circle last May, had spotted snow falling through the planet's frigid sky. Martian snowfall isn't like earthly snowfall; this descended from some 2.4 miles (4 km) up and appeared to vaporize before it reached the surface. Still, the picture that Phoenix is painting is of a meteorologically dynamic world, one not only with occasional flurries but also with clouds and fog forming at night in addition to the famed Martian winds.

Two seemingly indestructible Martian rovers have also been busy. Since landing in early 2004, the golf-cart-size Spirit and Opportunity have toddled about on different parts of the planet, dipping into craters, drilling into rocks and sending back data about Mars' makeup and watery past. But the Martian elements have left the rovers increasingly arthritic: Opportunity's robotic arm has stiffened to the point that controllers no longer retract it fully, and Spirit has been forced to drive backward as a result of a bum front wheel.

But even breakdowns can pay dividends. In May 2007, scientists announced the discovery of white silica beneath the



Surprise find A bum wheel on a rover dug a trench that revealed white silica, a telltale sign that Mars was once watery

Martian soil—a telltale mineral that usually forms in the presence of water—one more bit of proof that Mars was once a wet place. The silica would never have been discovered if Spirit's balky wheel hadn't dug a trench in the soil.

Earlier in September, NASA announced that Opportunity would wander farther than it ever had in the search for more data. The rover is embarking on a long trek to a crater roughly 7 miles (12 km) away. That's about the total amount of ground it has covered since it arrived. Even if it follows a beeline route, its slow speed and the starts and stops it must make along the way limit it to about 110 yd. (100 m) per day—meaning it will need two years to get where it's going. Still, the trip should be easier than it once would have been, thanks to a sister ship, the Mars Reconnaissance Orbiter, which arrived in 2006 and can provide eye-in-the-sky guidance.

More ships are on the way, with NASA planning to launch another, larger rover—the Mars Science Laboratory—in 2009 and another orbiter in 2013. The European Space Agency hopes to launch its own rover in 2013. A robotic mission to gather rocks and return them to Earth is a key NASA objective, while the most tantalizing goal of all—a manned landing—remains a remote but credible goal. Until boots are actually on the ground, our robot proxies will have to do the exploring for us. So far, we have no reason to complain about their work.



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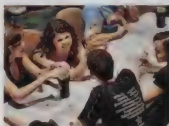
Follow the leader.

The nation's largest insurer has quietly rolled out plans that start at a mere \$55 per month

HEALTH, PAGE 55

Life

EDUCATION HEALTH GOING GREEN



The mandatory fun at Vanderbilt, from ice cream socials



to Casino night, is meant to unify freshmen — and ensure



they bond with professors. And, yeah, there's time



to watch the presidential debates and study too.

EDUCATION

A Frosh New Start.

College gets warm and fuzzy for the *Harry Potter* generation

BY JENINNE LEE-ST. JOHN/
NASHVILLE

IF YOU'VE EVER SEEN A NEW England boarding school or a *Harry Potter* film, you can picture the scene in Nashville: an idyllic campus with kindly professors who head the dorms, a dining hall that's a social hub and a living room, interhouse rivalries and organized activities galore. But if you're thinking high school, think just a little bit higher; this is the Commons at Vanderbilt University, a brand-new campus within a campus to house the entire class of 2012, 10 professors and its own Dumbledore-like dean. The school spent \$150 million and a decade creating this community, designed to help 1,570 first-years get acclimated to college life. And the Commons is just the most holistic example of something that more and more



Common ground Vanderbilt University spent \$150 million to create freshmen-only housing and trimmed its class size to 1,570 so all first-years would fit in the new 10-dorm complex in Nashville, called the Commons

campuses are prioritizing: the new freshman experience.

The goal is a living-and-learning environment that promotes both school spirit and responsibility to community among an increasingly diverse student body. Tactics include creating residential areas for first-years only, encouraging student faculty interaction, extending orientation to full-term classes and hiring extra staff who plan activities like ice cream socials and watch out for strugglers.

Although some schools are postponing new projects because of the faltering economy, others are forging ahead with plans to emulate freshman programs that have long existed at some of the nation's oldest colleges. And these schools are investing in neo-Harvard Yards at least in part to compete better for top students and bolster retention rates, both of which factor into the much studied college rankings by *U.S. News & World Report*. That raises a question: Freshman-year coddling may help allay the anxieties of helicopter parents, but is the college experience—the time when students are supposed to push boundaries, establish their independence and become adults—just

turning into High School 2.0?

As higher education adjusts to the needs of 21st century students, schools are trying to borrow from the campus culture of yore, when college kids spent evenings analyzing poetry in professors' quarters. Research indicates that students are more likely to be satisfied with school and become campus leaders if they spend time with faculty. Which is why the University of Arkansas at Fayetteville created Core Connections, which lets mostly freshmen opt to live in two dorms where attendance at faculty planned events is required. The University of Maine now makes all frosh live together in dorms with new support networks. Ditto for Holy Cross in Worcester, Mass., where first-years are also encouraged to go on hikes with the pros who lead their freshman seminars and to debate them at town meetings.

Vanderbilt tries to make palling around with teachers the norm, believing that even casual exchanges with faculty can broaden kids' academic and social perspectives. As dean of the Commons, Frank Wcislo has films and forums in his living room, a.k.a. Wcislo's Salon. The 10

profes who live in the Commons' dorms host similar extracurriculars, and 55 others have agreed to come hang out with frosh. But amid all this bonding with authority figures, there's a risk that some students won't learn independence. "A very small percentage of students see me as a father figure, but I try to discourage that," says sociologist Tony Brown, who opens his dorm apartment on Friday evenings for rap sessions, using bait like cookies, *Wii Tennis* and his pet rabbit. "At move-in, I can't tell you how many parents said to me, 'Oh, good, you're an adult. Please take care of my kid!' But this was sold to us as an academic endeavor."

The school knows, though, that today's parents are more involved with their college-age children than those of a decade ago, and it tries to accommodate, within reason. During orientation, staff members put photos online almost in real time so fami-

'We're all here in one place so we can be cheesy and lame together.'

—MERYEM DEDE, FIRST-YEAR STUDENT AT VANDERBILT

lies can keep an eye on their kids. "You don't want to just push helicopter parents away entirely," says Angela Cottrell, associate director of residential education. Even undergrad residential advisers like sophomore Deno Saclarides do some parental hand-holding. After a call from the mother of one of his freshman advisees, Saclarides says, "I wrote on his door, 'Sweetie, I haven't heard from you in a while. Call. Mom.'"

Recent chats with students in the Commons suggest that the Hogwarts-like haven is off to a good start. Many welcomed the adult attention and said they were less homesick than their friends at other schools. A few were grateful to be able to take baby steps into college. "We're all here in one place so we can be cheesy and lame together," says first-year Meryem Dede. Some freshmen, though, complain they're being deprived of role models closer to their age. "I feel disconnected from upper classmen," says Cole Garrett.

Corralling frosh makes it easier to prevent their dropping out or becoming misfits. But if you make freshman year one big group hug, will kids be unprepared for the wilds of second year? Maybe. And yet some colleges have concluded that the way to deal with the problems potentially caused by coddling is to do even more of it. That's one reason the University of Maine is developing a program to help combat the sophomore slump by building on what first-years learned in Froshville. Vanderbilt has a \$1.75 billion capital campaign to turn all the rest of its dorms into neighborhoods where some 5,000 upperclassmen and their professors can live and eat together. "Twenty years ago, there was no talk of retention. It was just about getting kids in the door," says Michael McLendon, who teaches public policy and higher education at Vanderbilt. "Now we want to make sure their education is social." Let the study breaks begin. ■

HEALTH

Insurance for \$30 a Month.

New just-in-case policies aren't perfect, but they'll do in a pinch

COVER YOURSELF

30%

Percentage of 19-to-29-year-olds in the U.S. who have no health insurance

25 MILLION

Insured Americans who spent at least 10% of their income on out-of-pocket medical expenses in 2007

\$7,500

Hefty annual deductible, paired with \$30 monthly premium, for Humana's cheapest health plan

BY KATHLEEN KINGSBURY

BUYING YOUR OWN HEALTH insurance has never been cheaper. No, really. Amid promises from presidential candidates to make health care more affordable, WellPoint, the nation's largest insurer, has quietly rolled out plans that start at a mere \$55 per month. Aetna's individual coverage begins at \$40, and Humana's Monogram line, perhaps the best bargain, can cost as little as \$30 a month.

All offer basic medical coverage, including, in some cases, dental, vision and prescription-drug benefits. A few even throw in fancier perks like teeth-whitening or gym-membership discounts. So what's the catch? Not surprisingly, there's some fine print.

For starters, your health history could ratchet up your monthly premium—or keep you from getting covered in the first place. And a lower monthly premium tends to come with a higher annual deductible. Humana's Monogram plan, for instance, pairs its \$30 premium with a staggering \$7,500 deductible. And the preventive care coverage in these plans may not extend much beyond an annual physical. So consumers who don't look past price per month—a more traditional individual plan might charge a \$400 premium and a deductible closer to \$500—may find themselves shelling out thousands more dollars down the line. “So many of these policies can be really shoddy,” says Barbara Anthony, executive director of Health Law Advocates,



a nonprofit law firm based in Boston. “Know up front what you’re paying for.”

Indeed, some 25 million Americans were underinsured last year, meaning they spent at least 10% of their income on out-of-pocket medical expenses, according to a recent study by the nonprofit Commonwealth Fund. Still, for most folks, having even limited coverage is better than no health insurance at all. “More than 70% of the people signing up for our [individual] policies were previously uninsured,” says Mary Floyd, vice president for individual and senior sales at WellPoint.

In an attempt to make shopping for insurance a more consumer-friendly experience, Aetna asks how big a BodyGuard plan you need. WellPoint's Tonik line lets you decide whether you are a Thrill Seeker, a Part Time Daredevil or a Calculated

RiskTaker (choices that come down to less fun details like the size of your co-payment or deductible). Such edgy marketing aims to attract Americans ages 19 to 29—nearly a third of these so-called young immortals forgo insurance because they think they either don't need it or can't afford it. Carriers are also starting to target another demographic: early retirees who are too young to be covered by Medicare.

Whether these bare-bones policies are a good deal depends on who's buying them. Paying \$20 for generic drugs, plus the \$40 premium on Aetna's cheapest option, makes sense if your biggest monthly expense is \$75 for the Pill. But maternity care is rarely covered by these plans. So if you're already a member and find yourself pregnant, some insurers may let you upgrade. If not, good luck switching carriers with a pre-existing condition—which, in the case of a normal pregnancy and delivery, can cost \$8,000 to \$12,000. If instead you simply break your leg, all expenses are covered beyond your deductible. It's the same if you get cancer. And though a \$7,500 deductible is really steep, it's better than having no safety net at all.



Sustainable Sushi

Yes, we're overfishing the oceans, but here's how consumers can help keep the seas stocked

ONE OF MY FAVORITE places when I lived in Tokyo was my neighborhood sushi bar. I'd take a seat, and the chef would prepare fish fresh from the Tsukiji market in central Tokyo. A specialty was the raw octopus, delivered on a bed of lightly vinegared rice. I liked sushi before I moved to Japan; now I love it.

I'm hardly alone, which is bad news for the world's oceans. Partly because of the rising global demand for sushi, we're fast fishing out our seas, with some researchers estimating that if we don't change the way we harvest the oceans, all the commercial fisheries in the world could collapse as early as 2048. That could mean no more California rolls in your local supermarket.

Fortunately, scientists are figuring out ways to fish sustainably. One method is a quota system that guarantees individual fishermen or cooperatives a prearranged share of the total catch for, say, Alaskan halibut. These catch shares eliminate the incentive to overfish. And a recent study in *Science* found that catch shares can halt fishery collapses—defined as fish populations falling to 10% of historic highs—and even reverse the trend over time. "It's truly a win-win situation," says Steven Gaines, a marine biologist at the University of California at Santa Barbara and one of the study's co-authors.



Consumers also can help save the seas—through the fish they buy. To that end, California's Monterey Bay Aquarium, along with the Blue Ocean Institute and the Environmental Defense Fund, is coming out with pocket guides to sustainable sushi. The groups base their ratings on the health of a wild fish's population (the popular bluefin tuna is restricted), along with the impacts of fish-farming operations. (Fast-

growing oysters can be farmed sustainably, but salmon can't.) They also take into account fishing practices: catching bigeye tuna with thousand-hooked longlines can result in the unintended death of nearby fish. The hope is that by voting with their chopsticks, consumers can motivate businesses to act more sustainably. Unfortunately, my beloved octopus is now a no-go—but at least I'll always have Tokyo.

CHOOSE WISELY VIA CHOPSTICKS

A new sushi guide for consumers is based on whether seafood is caught in the wild or farmed in a sustainable way. Ratings depend on fish population size, along with the environmental impacts that come with fishing or farming. Examples:

BEST

- 1 Farmed bay scallops
- 2 Farmed striped bass
- 3 Canadian sea-urchin roe

O.K.

- 1 Japanese squid
- 2 U.S. king crab
- 3 Washington State wild salmon

STAY AWAY

- 1 Australian and Japanese yellowtail
- 2 Octopus
- 3 Bigeye tuna caught with longlines

Emergency

If you've been here before,
PLAVIX could help keep you from coming back.

PLAVIX can help save lives for those who've had a heart attack caused by a completely blocked artery.



Clots that block off arteries are the main cause of heart attack. And now that you've had a heart attack you are at a greater risk of having another that can be fatal. That's why your doctor may put you on PLAVIX along with your

other heart medicines. Taking PLAVIX with your other heart medicines goes beyond what other heart medicines alone can do to keep blood platelets from sticking together and forming dangerous clots.



IMPORTANT INFORMATION: If you have a stomach ulcer or other condition that causes bleeding, you should not use PLAVIX. When taking PLAVIX alone or with some other medicines including aspirin, the risk of bleeding may increase so tell your doctor before planning surgery. And, always talk to your doctor before taking aspirin or other medicines with PLAVIX, especially if you've had a stroke. If you develop fever, unexplained weakness or confusion, tell your doctor promptly as these may be signs of a rare but potentially life-threatening condition called TTP, which has been reported rarely, sometimes in less than 2 weeks after starting therapy. Other rare but serious side effects may occur.

Ask your doctor how PLAVIX can help increase your protection against future heart attack, stroke, and even death. Or visit www.plavix.com or call 1-800-909-6270.

See important product information on the following page.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

If you need help paying for prescription medicines, you may be eligible for assistance. Call 1-888-4PPA-NOW (1-888-477-2669), or go to www.pparc.org



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WHO IS PLAVIX FOR?

PLAVIX is a prescription-only medicine that helps keep blood platelets from sticking together and forming clots.

PLAVIX is for patients who have:

- had a recent heart attack.
- had a recent stroke.
- poor circulation in their legs (Peripheral Artery Disease).

PLAVIX in combination with aspirin is for patients hospitalized with:

- heart-related chest pain (unstable angina).
- heart attack.

Doctors may refer to these conditions as ACS (Acute Coronary Syndrome).

Clots can become dangerous when they form inside your arteries. These clots form when blood platelets stick together, forming a blockage within your arteries, restricting blood flow to your heart or brain, causing a heart attack or stroke.

WHO SHOULD NOT TAKE PLAVIX?

You should NOT take PLAVIX if you:

- are allergic to clopidogrel (the active ingredient in PLAVIX).
- have a stomach ulcer
- have another condition that causes bleeding.
- are pregnant or may become pregnant.
- are breast feeding.

WHAT SHOULD I TELL MY DOCTOR BEFORE TAKING PLAVIX?

Before taking PLAVIX, tell your doctor if you're pregnant or are breast feeding or have any of the following:

- gastrointestinal ulcer
- stomach ulcer(s)
- liver problems
- kidney problems
- a history of bleeding conditions

WHAT IMPORTANT INFORMATION SHOULD I KNOW ABOUT PLAVIX?

TTP: A very serious blood condition called TTP (Thrombotic Thrombocytopenic Purpura) has been rarely reported in people taking PLAVIX. TTP is a potentially life-threatening condition that involves low blood platelet and red blood cell levels, and requires urgent referral to a specialist for prompt treatment once a diagnosis is suspected. Warning signs of TTP may include fever, unexplained confusion or weakness (due to a low blood count, what doctors call anemia). To make an accurate diagnosis, your doctor will need to order blood tests. TTP has been reported rarely, sometimes in less than 2 weeks after starting therapy.

Gastrointestinal Bleeding: There is a potential risk of gastrointestinal (stomach and intestine) bleeding when taking PLAVIX. PLAVIX should be used with caution in patients who have lesions that may bleed (such as ulcers), along with patients who take drugs that cause such lesions.

Bleeding: You may bleed more easily and it may take you longer than usual to stop bleeding when you take PLAVIX alone or in combination with aspirin. Report any unusual bleeding to your doctor.

Geriatrics: When taking aspirin with PLAVIX the risk of serious bleeding increases with age in patients 65 and over.

Stroke Patients: If you have had a recent TIA (also known as a mini-stroke) or stroke taking aspirin with PLAVIX has not been shown to be more effective than taking PLAVIX alone, but taking aspirin with PLAVIX has been shown to increase the risk of bleeding compared to taking PLAVIX alone.

Surgery: Inform doctors and dentists well in advance of any surgery that you are taking PLAVIX so they can help you decide whether or not to discontinue your PLAVIX treatment prior to surgery.

WHAT SHOULD I KNOW ABOUT TAKING OTHER MEDICINES WITH PLAVIX?

You should only take aspirin with PLAVIX when directed to do so by your doctor. Certain other medicines should not be taken with PLAVIX. Be sure to tell your doctor about all of your current medications, especially if you are taking the following:

- aspirin
- nonsteroidal anti-inflammatory drugs (NSAIDs)
- warfarin
- heparin

Be sure to tell your doctor if you are taking PLAVIX before starting any new medication.

WHAT ARE THE COMMON SIDE EFFECTS OF PLAVIX?

The most common side effects of PLAVIX include gastrointestinal events (bleeding, abdominal pain, indigestion, diarrhea, and nausea) and rash. This is not a complete list of side effects associated with PLAVIX. Ask your doctor or pharmacist for a complete list.

HOW SHOULD I TAKE PLAVIX?

Only take PLAVIX exactly as prescribed by your doctor. Do not change your dose or stop taking PLAVIX without talking to your doctor first.

PLAVIX should be taken around the same time every day, and it can be taken with or without food. If you miss a day, do not double up on your medication. Just continue your usual dose. If you have any questions about taking your medications, please consult your doctor.

OVERDOSAGE

As with any prescription medicine, it is possible to overdose on PLAVIX. If you think you may have overdosed, immediately call your doctor or Poison Control Center, or go to the nearest emergency room.

FOR MORE INFORMATION

For more information on PLAVIX, call 1-800-633-1610 or visit www.PLAVIX.com. Neither of these resources, nor the information contained here, can take the place of talking to your doctor. Only your doctor knows the specifics of your condition and how PLAVIX fits into your overall therapy. It is therefore important to maintain an ongoing dialogue with your doctor concerning your condition and your treatment.

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The plan is to diversify from oil and gas and boost industries like aluminum and steel

BOBBY GHOSH ON SAUDI ARABIA'S ECONOMY

Global Business

GLOBAL COMPETITIVENESS ■ SAUDI ARABIA



GLOBAL COMPETITIVENESS

New World Disorder. Countries and companies are facing an economic environment that is not only borderless but also ruleless

BY HAROLD L. SIRKIN

IMAGINE 100 COMPANIES FROM FORMER Third World countries with a combined revenue in the trillions of dollars—greater than the total economic output of many countries—competing with U.S. companies for space on the world stage. Imagine several hundred such companies. Now imagine thousands.

You are looking at the future, when U.S. companies will be competing not only with European, Japanese, South Korean and Chinese companies but also with highly competitive companies from every corner of the world: Argentina, Brazil, Chile, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Russia, Thailand, Turkey, Vietnam and places you'd never expect. And you can antici-

pate that future versions of the World Economic Forum's Global Competitiveness Index will be reflecting more rapid ascents and descents than it has in the past. The current financial crisis may only serve to speed up the process.

In the past year alone, for example, Brazil, Russia and China have all moved up in the country rankings and are now lodged in the top half of the list, while the United

Kingdom has fallen. One of the biggest gainers from last year to this year is Montenegro, rising from 82nd to 65th place, just behind Turkey and Brazil.

This is the future world of what we call "globality," a world of hypercompetition in which Americans—and Swiss and Japanese—compete with everyone from everywhere for everything. And not just for customers and market share: they'll compete for energy and raw materials, skilled and unskilled workers, knowledge, patents, financing, suppliers, partners, even potential acquirers.

Global competitiveness has been a buzzword in Washington, on college campuses, in union halls, in corporate boardrooms and in the media for decades. What is different in this new era is the scale and speed of the coming challenge, which will see hundreds of companies from developing countries charging at us relentlessly, from all sides, like a modern version of the king of the hill. Are we ready?

Most of the world's future economic growth will take place in developing nations, and our growth—and Western Europe's and Japan's—will largely be based on theirs. Do we understand these economies? And are we ready to compete for the business of the billions who live there and are just now starting to move up from poverty to life as consumers—consumers who would love to buy U.S. products because of their quality?

My colleagues and I have examined more than 3,000 companies from developing countries and have identified 100 companies from 14 countries with the near term potential to become global leaders. China is home to the greatest number of global challengers, with 41; followed by India, with 20; Brazil, with 13; and then Mexico, Russia and Turkey. Together, these 14 countries accounted for 17.3% of the world's total economic output, or gross domestic product, in 2006.

Some of the challenger companies have already achieved great success. Among the 66 Asian companies on our list, China's appliance maker Haier has been so successful in the U.S. market that it's investing \$100 million in a new factory in Camden, S.C. (And you thought U.S. factories couldn't compete with Chinese factories.) India's Suzlon Energy is among the world's top manufacturers of wind turbines, a renewable-energy technology with a limitless future. And Hong Kong's Johnson Electric is the world's largest producer of small motors.

It's much the same in Latin America, where Mexico's CEMEX, with nearly \$21.7 billion in revenue last year, is one of the largest cement producers in the world.



Who's Got the Edge

Each year the World Economic Forum handicaps 130 countries in the global competitiveness race. Here are the top 50

2008		2007
1	United States	1
2	Switzerland	2
3	Denmark	3
4	Sweden	4
5	Singapore	7
6	Finland	6
7	Germany	5
8	Netherlands	10
9	Japan	8
10	Canada	13
11	Hong Kong SAR	12
12	United Kingdom	9
13	Korea, Republic of	11
14	Austria	15
15	Norway	16
16	France	18
17	Taiwan, China	14
18	Australia	19
19	Belgium	20
20	Iceland	23
21	Malaysia	21
22	Ireland	22
23	Israel	17
24	New Zealand	24
25	Luxembourg	25
26	Qatar	31
27	Saudi Arabia	35
28	Chile	26
29	Spain	29
30	China	34
31	United Arab Emirates	37
32	Estonia	27
33	Czech Republic	33
34	Thailand	28
35	Kuwait	30
36	Tunisia	32
37	Bahrain	43
38	Oman	42
39	Brunei Darussalam	n/a
40	Cyprus	55
41	Puerto Rico	36
42	Slovenia	39
43	Portugal	40
44	Lithuania	38
45	South Africa	44
46	Slovak Republic	41
47	Barbados	50
48	Jordan	49
49	Italy	46
50	India	48

Source: World Economic Forum's Global Competitiveness Report 2008-2009. For the full report, go to www.weforum.org

Brazil's Embraer is the leading manufacturer of regional jets in the world.

And in Russia and Eastern Europe, Gazprom, based in Moscow, is the world's largest natural gas company, providing 25% of Europe's natural gas. Another major player in Europe is Turkey's Vestel Electronics, the largest supplier of televisions on the continent.

These are some of the more prominent success stories: companies from every where competing with us for everything. Hundreds of other challengers that are relatively unknown today are ready to join them.

To meet this challenge, the U.S., or any other country that wants to remain in the game, can't afford to repeat past mistakes. And the worst mistake of all is complacency—to dismiss the challengers as a nuisance, as the U.S. did Japan in the 1960s, rather than view them as serious competition. You can see the results of complacency when you look at the Big Three U.S. automakers.

In the new world of globality, the new rule is that there are no rules. Just because U.S. companies have always done something a certain way doesn't mean they should continue to do so. Companies need to be fast and flexible and understand their markets and customers as never before.

The road going forward is like an eight-lane highway with no access and egress signs, no directions, no lane markings, no speed limits, no police and no one knowing if they should drive on the left side or the right side of the road. You make your own rules and do your best to get to your destination. In the world of globality, you can't wait for someone else to set the rules.

I like to tell the story of a Chinese manufacturer that was getting feedback about its washing machines' clogging up drains. The company investigated and found that the machines worked just fine but that rural consumers were using them to wash potatoes. What would an American company do to solve this problem? Call in a p.r. firm to tell consumers that washing vegetables voids their warranty? The Chinese company had a better idea: it added a vegetable-wash cycle to its machines. We call this innovating with ingenuity—and no government program can teach this.

Global competitiveness in the era of globality—where the new rules are no rules—requires new ways, new thinking. This is a battle that any nation dares not lose.

Sirkin is a senior partner at the Boston Consulting Group and a co-author of a new book, *Globality: Competing with Everyone from Everywhere for Everything*

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SAUDI ARABIA

The Massive Master Plan. The kingdom's scheme to build five new cities gives *ambitious* a new meaning

BY BOBBY GHOSH/KAEC

AMR AL-DABBAGH HAS NO DOUBT THAT IF he builds it, they will come. The governor of the Saudi Arabian General Investment Authority (SAGIA) is one of the forces behind King Abdullah Economic City (KAEC), a \$27 billion development rising out of the desert 62 miles (100 km) north of Jeddah, and he can already envision the arrival of its first residents. "It won't be long before it starts taking shape," he says.

There's a palpable sense of urgency at the construction site, where a line of high-rises—the first batch of offices and residences—is taking form along the aquamarine waters of the Red Sea. Dozens of businesses have signed on to set up shop in KAEC (pronounced *cake*), and the first 1,500 housing units sold out in days. In early 2009, the first business tenants will move in; the first residents, soon thereafter. The first school is planned to open by the end of next year, which will allow families to move in.

If all goes to plan, in a couple of years the trickle will turn into a flood. When it's completed 20 years from now, KAEC will

be roughly the size of Washington, D.C., with a population exceeding 1.5 million. It will have a seaport, an industrial district, a financial center, a health-care zone, a full-fledged university and a beach resort. Not since Brasilia and Chandigarh in the 1950s and '60s has any country set out to build an entirely new city on such a scale.

Saudi Arabia is planning to build five of them. Simultaneously, KAEC serves as the flagship project. The Saudis plan for nothing less than to make the country more competitive globally, and they are willing to spend what it takes to do it.

To its critics, the plan smacks of oil-

fueled excess, an attempt to one-up rivals on the mad dash across the Arabian Peninsula to build the tallest, biggest, glitziest structures. Their coffers bulging with surpluses, many Persian Gulf states are turning their desert into one giant construction site. There's the City of Silk project in Kuwait, Dubai and in Dubai and any number of ports, airports, universities and giant residential and industrial complexes abuilding in Qatar, Abu Dhabi, Bahrain and elsewhere. KAEC "is not a vanity project, but there is definitely a statement being made," says a Riyadh businessman who asked not to be identified for fear of offending King Abdullah, who is personally keen on the new city that bears his name. "It is the Saudis saying to the rest of the Arabs, 'We can build bigger than the rest of you.'"

Al-Dabbagh and his backers insist they're not trying to out-Dubai Dubai—or anybody else—and that the new cities are meant to solve pressing economic and demographic problems: with 60% of its population under the age of 25, Saudi Arabia needs to create millions of jobs and homes for young people who will come of age in the next five years. This "youth bulge" will create a demand for 6 million residential units in the next 12 years; that's a million more units than were built in the past 60 years. "When you have demand on that scale, you can't think small," says Fawaz al-Alamy, who advises King Abdullah on economic issues. "Big problems need big solutions."

Saudi Arabia hopes to diversify its economy from oil and gas and to boost its manufacturing sector, especially in energy-intensive industries like aluminum and steel

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The new cities are the centerpiece of Saudi Arabia's plans to diversify its economy from oil and gas and to boost its manufacturing sector, especially in energy-intensive industries like aluminum and steel. KAEC, for instance, will have a \$5 billion smelter built by the United Arab Emirates firm Dubal, one of the world's largest aluminum manufacturers. Another Emirates firm, Emaar, is the city's main developer; there's scarcely any government investment or involvement in the construction. Other companies that have signed up to invest include France's Total, Sweden's Ericsson and U.S. firm Capri Capital, which has announced a \$2 billion development deal that will include two luxury hotels as well as office buildings and condominium towers.

The Dubal project is a template for the kind of investment Saudi Arabia wants to

attract: it will be 100% foreign-owned and will probably generate several downstream businesses. The ownership is crucial; in the past, the only way foreign companies could operate in the kingdom was through joint ventures and local agents—many of whom brought no skills and little capital to the partnership. With that barrier gone, al-Dabbagh hopes investors will pour in: he expects the new cities to generate more than \$100 billion in foreign investment. Saudi businesses may kick in two or three times as much.

Al-Dabbagh is working to remove other barriers as well and crack the Top 10 on competitiveness lists prepared by the World Economic Forum and the World Bank. Since 2005, SAGIA has been pressing the notoriously sclerotic government bureaucracy to become more investor-friendly, simplify procedures and cut back on paperwork.

City under construction From top: the first office and residential towers rise in King Abdullah Economic City; a model of the completed city

Dahlia Khalifa, an economist on the World Bank team that produces the *Doing Business* report, credits Saudi Arabia with "consistent reforms over the past three years."

As a result, the kingdom is on the move. On the World Economic Forum's list, it is 27th, up from 35th last year. It sprinted up the World Bank's list, from 67th in 2005 to 16th in 2008, making it the easiest place to do business in the Middle East. In that time, foreign investment in Saudi Arabia has nearly doubled, to \$23 billion. "Foreign businesses are looking at us differently," al-Dabbagh boasts. Companies with a long history of working in the kingdom say they've noticed the difference. "The say/do factor has improved significantly," says Nabil Habayeb, GE's CEO for the Middle East and Africa. "When the government tells investors it will do something, it usually gets done."

But Saudi Arabia is still some distance from being an investor's mecca. The kingdom ranks a woeful 137th on the World Bank's list when measured by ability to enforce contracts. For many investors, that will be a red flag. Saudi Arabia has also fared poorly on other lists that investors parse: it has slipped to 80th place on Transparency International's Corruption Perceptions Index for 2008, from 70th in 2005. By that reckoning, Saudi Arabia is one of the most corrupt places in the Middle East.

Businesses, homegrown and foreign alike, also face several problems that are unique to Saudi Arabia. The quality of the local workforce is poor, owing to an education system that has long placed religious studies above science and math (unlike that of the elites, who are often Western educated). Reforms are under way, but it will be years before Saudi universities are churning out world-class engineers in the numbers the country needs. Nor can businesses expect to simply import employees, which has long been the norm in the Persian Gulf economies: mindful of that youth bulge, Riyadh is imposing a "Saudiization" program that requires businesses to hire more locals. It doesn't help that employers don't have access to half the potential workforce: despite some recent gains for women, only small numbers of them have overcome the stiff cultural resistance to females going to work.

Al-Dabbagh is certain these hurdles won't stand in the way of investors in the new cities. They will, he says, be "new pockets of competitiveness," like economic greenhouses for businesses. In the desert, that's the only way to make things grow. ■



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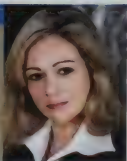
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Arts

MOVIES TELEVISION MUSIC BOOKS SHORT LIST



BY RICHARD CORLISS

THE FILM IS CALLED *W.*, AND FOR A LOT of moviegoers, hearing that Oliver Stone was directing a biopic of the still President of the U.S., the *W.* could have stood for a pleased or outraged *What!*? Stone made his rep, or his rap sheet, with ferocious retakes of recent American history: the Vietnam War in *Platoon*, *Born on the Fourth of July* and *Heaven and Earth*; the investigation of

the John F. Kennedy assassination in *JFK*; and, in *Nixon*, the life of the only President to resign his office. All those subjects allowed for a certain ambiguity, but Stone—a dramatist first, dispassionate chronicler never—pushed political views that might have been lopsided but usually resulted in terrific films with an adrenaline rush.

Approaching George W. Bush, a Chief Executive with a shattered record and abysmal approval ratings who's now ignored

or avoided by even his fellow Republicans, might seem way too easy a task for Stone. Historians have for years placed Bush at the bottom of presidential rankings, and *The Daily Show*, considering his legacy, chillingly guessed that Dubya is aiming to be not only our worst President but also our last.

Turns out Stone doesn't want to be the

Who's the master? Bush (Brolin) on the White House lawn, with Rove (Jones)

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Arts

MOVIES TELEVISION MUSIC BOOKS SHORT LIST



MOVIES

Where's W.? Oliver Stone's biopic of the President leaves its central figure a mystery and the moviegoer unmoved

BY RICHARD CORLISS

THE FILM IS CALLED *W.*, AND FOR A LOT of moviegoers, hearing that Oliver Stone was directing a biopic of the still President of the U.S., the *W.* could have stood for a pleased or outraged *What?* Stone made his rep, or his rap sheet, with ferocious retakes of recent American history: the Vietnam War in *Platoon*, *Born on the Fourth of July* and *Heaven and Earth*; the investigation of

the John F. Kennedy assassination in *JFK*; and, in *Nixon*, the life of the only President to resign his office. All those subjects allowed for a certain ambiguity, but Stone—a dramatist first, dispassionate chronicler never—pushed political views that might have been lopsided but usually resulted in terrific films with an adrenaline rush.

Approaching George W. Bush, a Chief Executive with a shattered record and abysmal approval ratings who's now ignored

or avoided by even his fellow Republicans, might seem way too easy a task for Stone. Historians have for years placed Bush at the bottom of presidential rankings, and *The Daily Show*, considering his legacy, chillingly guessed that Dubya is aiming to be not only our worst President but also our last.

Turns out Stone doesn't want to be the

Who's the master? Bush (Brolin) on the White House lawn, with Rove (Jones)

final guy to join the lynch mob. Rather than a denunciation of Bush (hagiography is out of the question), he offers a fairly straightforward life. The film moves simultaneously on two chronological tracks: Bush's life from his Yale undergraduate days in the mid-'60s to his governorship of Texas in the mid-'90s, and his Administration's 2002 preparation to invade Iraq.

Stone gets points for speed and efficiency—he shot the picture over 46 days this spring and summer on a tiny \$30 million budget and gave it a rich, polished look—but not for the scope of his vision. W. isn't tragedy or farce; it's illustrated journalism, based mostly on extant Bush biographies and memoirs of early Bush appointees. All the incidents are there but not the insight. What's missing is the one thing Stone films have never lacked: a point of view.

41 Is Greater Than 43

AT FIRST WE GET HINTS THAT STONE IS UP to his nifty old tricks. It's a hazing session of Yale's Delta Kappa Epsilon fraternity, where the forced guzzling of whiskey is the gentleman scholar's equivalent of waterboarding. The other pledges are frightened, but Dubya (Josh Brolin, who's game but not great) impresses his brothers by not only rattling off their names but also appending a goofy nickname to each. In two lightning strokes, W. provides a reference point for the Bush Administration's interrogation techniques of terrorist suspects and imagines an early example of Bush's frat-boy camaraderie, later visited with a bullying bluntness on the White House press corps.

That's just smart storytelling, courtesy of screenwriter Stanley Weiser, who worked with Stone on *Wall Street*, the 1987 "Greed is good" film that speaks more eloquently to our current morass than W. does. The larger tale the movie tells is of a slow-witted alcoholic, the wastrel son of a powerful family who found Jesus—and Karl Rove (Toby Jones)—and, with these two guiding him, a purpose and propulsion to his life.

But as the film connects the biographical dots, it loses its way. The tone lurches from the sweetness of the George and Laura love story (she's played very appealingly by Elizabeth Banks) to the chilling cartoonery of the Iraq-war planning, in which his advisers are sketched in varying styles, from wicked parody (Thandie Newton's Condoleezza Rice) to creepy acuity (Richard Dreyfuss's Dick Cheney) to an absolving rectitude (Jeffrey Wright's Colin Powell). All these scenes show Bush in action but not inside. The person remains an enigma. The movie is an X-ray of an invisible man—by the film's end, the W. still stands for *Who?*

It's easier to identify whom the film would like to be about. That's George Her-

All the President's Men. Approval ratings for the onscreen editions of Dubya and his advisers



George W. Bush
Josh Brolin

The undersung star of *No Country for Old Men* locates the fear behind the swagger in young Dubya. He dutifully carries Bush from Yale to the Iraq war. A pity there's no real character for Brolin to play.

Grade: B



Dick Cheney
Richard Dreyfuss

Of all Bush's masters, from Poppy to God to Karl Rove, Vice is the easiest to mock. Dreyfuss's take is nicely underplayed: no scent of sulfur, just whispers that resound like doomsday threats.

Grade: A



Condoleezza Rice
Thandie Newton

In 2002, National Security Adviser Rice was the voice of reassurance to Colin Powell's caution. Newton's turn is less acting than dead-on parody. Pretending she's a guest on *SNL*, we award her...

Grade: A-



George H.W. Bush
James Cromwell

The script gives Poppy presidential wisdom: Cromwell injects a blast of patriarchal testosterone. Both qualities are surprising—didn't Barbara Bush wear the pants in that family?

Grade: B+

bert Walker Bush, the forgotten-but-not-gone 41 to his son's 43. As played by the 6 ft. 5 in. (2 m) James Cromwell, Poppy Bush looms over W. (and W.) as a commanding, commanding figure. According to the film, he's the master manipulator who sprang Dubya from jail after a rowdy Yale prank, "took care of" a woman his son didn't want to marry and "pulled strings" to get the boy into Harvard Business School. He hates the damage W. has done to the family name: "Partying, chasing tail, driving drunk. What do you think you are—a Kennedy?"

As President, Poppy is depicted as having the strength to use U.S. military might to push Iraqi troops out of Kuwait and the wisdom—not the weakness—to stop short of Baghdad. Stone seems to admire him more than any other President he's depicted. (In *JFK*, Kennedy was a hallowed ghost figure.) His Bush Sr. might be a Lyndon Johnson who somehow got the country in and out of Vietnam with a win and few U.S. casualties. This 41—this war hero, this fearless leader—could never have been impersonated on *Saturday Night Live* by Dana Carvey.

Cromwell is exactly the guy for the job; he's played a President three times before in films and on TV. He gives Poppy a gruff machismo that both dominates the film and,

given its ostensible protagonist, distorts it. When, toward the end, the octogenarian Poppy is shown muttering sage dismissals of W.'s Iraq escapades, we realize that the film is actually the story of a proud man perpetually disappointed in his son.

An Unexamined Life

JEB BUSH, THE "GOOD" SON (PLAYED BY JASON RITTER), is a fleeting presence in W., as is mother Barbara (Ellen Burstyn), and Neil, Marvin and Dorothy are virtual no-shows. The secret sibling is Stone himself, who, like Dubya, came from a wealthy family and entered Yale in 1964. He left after a year and wound up in Vietnam, where his destiny ambushed him. Perhaps the political biography Stone really should put on film is John McCain's.

Well, he went ahead with this fairly judicious docudrama, in the seeming belief that a story with so many melodramatic twists and cataclysmic consequences needs little editorializing. The result is that rare Oliver Stone film that is not exhilarating, or enraging, but boring, because the director doesn't have a fresh take on Bush.

We don't say Dubya's unexamined life—his pursuit of devastation policies with such messianic self-assurance—is not worth filming. Yes, the tragic hero usually comes to realize his crippling flaws, but maybe the greatest sin of a powerful man is in never, ever doubting himself. W. gives Bush a climactic wrinkle of copelessness, but the movie is mostly content to motor on familiar tracks. Like its central character, it seems never to have questioned itself about its mission or even asked if it had one. For this normally crazy-brilliant auteur, the last and lasting W. has to be *Why?* ■

Stone gets points for speed and efficiency but not for the scope of his vision. W. isn't tragedy or farce; it's illustrated journalism



Lab partners *Fringe's* feuding father and son (Noble and Jackson) suss out weird science

TELEVISION

Bodies of Evidence. In the new sci-fi series *Fringe*, bioscience goes evil. For the viewer, that's where the fun starts

BY JAMES PONIEWOZIK

SHOW ME A HUMAN FEAR, AND I'LL SHOW you a monster. Our ancestors populated dark forests with dragons and uncharted seas with krakens. Sci-fi transmuted comies and nukes into body snatchers and Godzillas. In the 1990s, *The X-Files* turned post-Vietnam paranoia into an elaborate government-alien conspiracy.

This fall, the tense, compelling *Fringe* (Fox, Tuesdays, 9 p.m. E.T.) is a 21st-century *X-Files*, with a difference. The conspiracy this time is called The Pattern: someone or something is performing experiments, using humans as guinea pigs. The passengers and crew of a transatlantic flight are skeletonized by flesh-eating bacteria; a prostitute is impregnated with a fetus that gestates, painfully, to term within hours.

FBI investigator Olivia Dunham (Anna Torv)—a geek-gorgeous half Mulder, half Scully figure—tracks down a case a week, assisted by recently de-institutionalized genius Walter Bishop (John Noble), whose Cold War research may be connected to The Pattern, and his sarcastic son Peter (Joshua Jackson). The common thread in most of the cases: bioscience gone evil.

With *Fringe* (from *Lost's* creator, J.J. Abrams), sci-fi has come full circle back

to *Frankenstein*: we have gained too much power over life and made the body into a mere machine. Plots turn on how bodies can be used as recording devices: corpses are psychically "interrogated"; people's memories are stolen by a villain jamming wires up their noses; a murder victim's optic nerve is hooked up to a TV screen to show the last thing she saw before she died. The humans involved have no more volition than a hard drive being reformatted in the shop.

Why should we be so afraid of our own bodies? Scientists, wondrously, are mapping the genome and learning how life

works at the microscopic, tweezers-of-God level. But this knowledge can make people feel more powerless than empowered. Gene-testing can tell us we're disposed to diseases we can't cure. Medical science can promise amazing treatments while rendering health care unaffordable. Bio-engineered agriculture can splice a bouillabaisse's worth of fish DNA into a tomato. *Fringe* taps into this unease: If we are what we eat—well, what the hell are we?

The same anxiety powers CBS's new science-driven cop show *Eleventh Hour*, in which a government biophysicist (Rufus Sewell) investigates cases of bioscience run amok. In the pilot, a wealthy man coerces a needy woman to risk her life by bearing a clone of his dead son. On FX, buddy comedy *Testes*, about down-and-out dudes who sell their bodies for experiments, plays the same discomfort for gross-out laughs. (One gets a treatment that apparently leaves him pregnant—and lactating.)

All these scenarios involve an element largely missing from *The X-Files*: money. That show quaintly imagined a U.S. government big and competent enough to mastermind global plots. Now the feds are scrambling to keep up with them. In *Fringe*, the villain is unknown but appears to be connected to a shadowy supercorporation, Massive Dynamic. Working in a decades-old lab, Walter is a link to an era of government hubris, but in the 17 years since he was first locked up, conspiracy has been privatized. He's also a kind of devil's advocate, with the eccentric glee he takes in the investigations, bringing a cow into his lab (its DNA is similar to a human's) and proposing risky experiments with Strangelovian brio. Mad science never looked so fun.

This is what keeps *Fringe* from being more than grim spatter sci-fi: it gets that the very things that make science terrifying also make it cool. (See also *CSI*.) This is especially true when it comes to the bioscience conundrums that make *Fringe's* sci-fi so literally intimate. On this new *X-Files*, the truth is not just out there. It's in here—encrypted in our bodies, under our skin, in our very DNA. If only we could figure out what we are trying to tell ourselves. ■



With *Fringe*, sci-fi has come full circle back to *Frankenstein*: we have too much power over life

Sci fidelity Dunham (Torv) is a nerd hero in the mold of Mulder and Scully

MUSIC

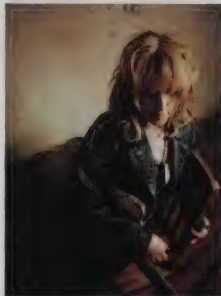
Sweetness and Light. With *Little Honey*, Lucinda Williams gets happy. Her fans will be happy too



BY JOSH TYRANGIEL

WHILE ASSURED OF her status as a great American singer, Lucinda Williams has never been most people's idea of an easy one—someone whose music you'd trot out at a wedding, say, or any other event where keening is frowned on. Williams isn't pofaced; she's so tough that misery, mostly in the form of doomed men and rotten luck, never stands a chance. It's just that in the Williams songbook, misery never seems to stop coming around, which is why the first track on her ninth album, *Little Honey*, is such a shock. It's called "Real Love," and it's not about losing real love or a tortured glimpse of real love but about finding it once and for all.

Williams is too sophisticated to song-write her own bio, but she's also too shrewd to ignore it, and her engagement



Chords and Xs Williams' ninth album combines love, goofiness and topflight guitar

to manager Tom Overby (who co-produced *Little Honey*) seems to have inspired a challenge: say something new about love and happiness. Lyric-sheet readers may wonder if she's up to it. Her usual evocations and minimalist stanzas are replaced by lines like "You're drinking in a bar in Amsterdam/ I'm thinking baby far out, be my man," proof that love and goofiness are but a beer apart.

But the glory of *Little Honey* is less its poetry than its ability to sustain happiness as a mood. There is Williams' glorious voice, of course—cracking in the verses and lubricating the choruses of "Tears of Joy"; drolly channeling Tammy Wynette to Elvis Costello's George Jones on "Jailhouse Tears"—but the critical decision was to make this a guitar-dominated album. It's not just that it's the warmest instrument in rock, country and blues (Williams' favorite playgrounds) but that Doug Pettibone is the best unknown guitarist in all three. On song after song, Pettibone's six-string acts as Williams' adoring foil, flirting with her between the lyrics on "Circles and Xs," replying with great gusts of seduction on "Knowing." On the album-ending AC/DC cover, they just roll around and laugh. It's exactly the kind of thing you'd play at a wedding.

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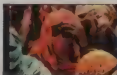
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BOOKS

Brotherly Love. Per Petterson's new novel sets a sister's devotion against the backdrop of war



FIRST LINE

When I was a little girl of six or seven I was always scared when we passed the lions on our way out of town.

BY RADHIKA JONES

EARLY IN *TO SIBERIA*, A NEW novel by Per Petterson (Graywolf Press; 245 pages), the narrator and her older brother cut their hands and mix their blood. It's a familiar childhood ritual, sweetened by naive redundancy: How much closer than siblings can you be? The bond between this sister and brother turns out to be a love story—pure, but as painful as the touch of steel to skin.

Petterson, a Norwegian writer, won the International IMPAC Dublin Literary Award last year for his novel *Out Stealing Horses*, as well as an even more elusive prize for a work in translation: critical acclaim in the U.S. The novel's success was all the more surprising given the quiet nature of Petterson's storytelling. His characters live mostly inside their heads; outside, they can be found in small villages in Scandinavia, drinking, chopping wood, fighting, reading, remembering. It's hardly the stuff of flashy, cosmopolitan fiction without borders.

But if his books seem modest in scope, their power lies in the way he sculpts calamity into catharsis. His novel *In the*

Per
Petterson



Wake is a raw portrait of grief based on the tragedy of Petterson's adult life: the death of his parents and two brothers in a ferry accident. The opening of *Out Stealing Horses* climaxes in a scene in which a 10-year-old boy accidentally shoots and kills his twin brother. The event stops your heart, but Petterson's lyrical prose pulls you forward.

To Siberia is rougher around the edges. The precipitating horror—the narrator's grandfather hangs himself—creates a strangely shallow impression. But what the story lacks in polish, it makes up for in mood. Reading a Petterson novel is like falling into a northern landscape painting—all shafts of light and clear, palpable chill. The narrator and her brother Jesper grow up in this setting, on a farm in Denmark in the 1930s. Distant from their parents, they find happiness in each other, and as the narrator grows from tagalong sister to adolescent, Petterson gives their relationship a delicate physical dimension.

That closeness is one of the things brutalized when the Nazis arrive. Here, as in *Out Stealing Horses*, the war is remarkable not only for its general devastation but also for the way it detonates private passions: Jesper's for his resistance work, and the narrator's for Jesper's companionship and safety. This has the potential to turn out bleak. But the thing that sticks is the adoring trust sister places in brother, whether she's a child sneaking out with him via rooftop at night ("I'm not scared, and I just do what he does, it is not difficult when we do it in time with each other, he goes first and I follow"), a young woman trying to match his daring or an old woman narrating the memory of her love for him. ■

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Short List

TIME'S PICKS FOR THE WEEK



1 THEATER Equus

Harry Potter gets naked! That's the sell line for Broadway's revival of Peter Shaffer's 1973 drama, which runs through February. Happily, as the stable boy accused of mutilating horses, Daniel Radcliffe shows off not just his private parts but also his acting chops, and the play, though glib, is still a dazzler.

2 EXHIBITION Bernini

The 17th century sculptor Gian Lorenzo Bernini did more than give shape to stone—he gave it life, breath and a beating pulse. There's still time to catch the show of his magical portrait busts at the Getty Center in Los Angeles through Oct. 26.

3 MOVIE The Secret Life of Bees

In adapting Sue Monk Kidd's best seller about a white girl in 1960s South Carolina who finds refuge with three angelic black sisters, director Gina Prince-Bythewood weaves a warm, enriching spell. Dakota Fanning and Queen Latifah star in this honey of a film.

4 EXHIBITION Not a Cough in the Car

Before there was a Marlboro Man, there was a Marlboro baby. The New York Public Library is celebrating the golden age of advertising, when doctors, babies, even Santa endorsed smoking. If you can't get to the show, marvel at the posters online at tobacco.stanford.edu.

5 ONLINE VIDEO Target Women

If you're a female who enjoys basic cable (and according to marketers, all females do) but is driven crazy by the gender-specific ads, then save the pain with Sarah Haskins' very funny recurring *Target Women* videos on Current.com. You'll never see yogurt the same way again.

Arts Online

For more reviews and openings this weekend, go to time.com/entertainment



Sarah Vowell's Favorite Five

She's an on-air chronicler of American lives, a former *Incredible* (the voice behind Violet's bangs) and the author of *The Wordy Shipmates*, out this month, which finds the quirk in America's Puritan heritage. Here's what's on Vowell's short list this fall.

C-SPAN

On the first morning of the Democratic National Convention, all the cable-news outfits were yakking about what Hillary Clinton might say—except one. On C-SPAN? Empty chairs on a silent stage. It was waiting for someone to show up and actually say something. This was the only channel on which a citizen could watch all the convention speeches. Plus, it airs *Prime Minister's Questions*, my all-time-favorite sitcom. (No offense, Larry David.)

The Exiles

Kent Mackenzie's recently unearthed film from 1961, which follows former reservation Indians around Los Angeles for a night, is unforgettable. The characters are lost and lonesome but photographed with all the nocturnal allure of a Chet Baker song.

The Gamble House

Pasadena, Calif., architects Charles and Henry Greene's hymn to woodwork celebrates its centennial this year. The warmth of the place is comforting, but the craftsmanship of the carpentry makes me want to be a better person.

Religulous

Bill Maher's whirlwind of a documentary is deeply felt, rigorous, outraged and the good kind of smart-alecky.

Canada

I went to a talk that writer Ian Frazier gave about Siberia, and he said every American has another country, and for him it's Russia. I just remember thinking, Crap—mine's Canada.





Michael

Kinsley

The Leader We Deserve Obama and McCain are both good men. But, in times like these, that isn't good enough

PEACE AND PROSPERITY. DURING THE LAST DECADE OF the 20th century, Americans enjoyed more of both than any other people in history. Not all Americans, but most. Certainly most voters. Then came 9/11, and out went secure peace, but we still had prosperity. And then last month, the other shoe dropped. Now both peace and prosperity seem uncertain. When we were riding high, we called it "business as usual" and found it intolerable. Politicians of every stripe promised to rescue us with a magic elixir: "change." Well, now we have change. Kind of makes you miss that old business as usual, doesn't it?

The presidential campaign has been going full bore for more than a year, but suddenly everything that happened before about a month ago seems irrelevant. Through the fog of partisanship, we can acknowledge that both candidates are good men. But good isn't enough. This time we need greatness.

Greatness is a compliment generally conferred in retrospect. We have lucked out several times in our history when implausible characters showed unexpected greatness when it was needed: a country lawyer from Illinois, a spoiled patrician in a wheelchair, to name two obvious examples. Even more miraculous (though troublesome for democracy), both Lincoln and F.D.R. were elected by promising more or less the opposite of what they did in office. Lincoln said he'd preserve the institution of slavery. F.D.R. said he'd balance the federal budget.

Although looking for universal qualities of greatness is a historians' parlor game, different historical moments require different qualities. Does either of this year's candidates have the seeds of greatness? I think both do. But unfortunately, our current political system seems designed to weed out precisely the qualities that are most needed at the moment.

One attribute we don't need, although commonly associated with greatness in a leader, is empathy. Politicians—including the two at the top—tell the great American middle class that its problems are not its fault. Or that, whoever may be at fault, the problems can be solved if only we can agree on a tax cut. When in the second presidential debate the candidates were asked what "sacrifices" Americans should expect to make in order to address the

financial crisis, John McCain promised to "examine every agency and every bureaucracy of government" and "eliminate those that aren't working," though he didn't name any. Barack Obama said "each and every one of us" would have to "start thinking about how we can save energy" and then offered a subsidy to people who buy U.S. made cars.

What we need instead from a leader is astringency. Astringency means telling people what they don't want to hear and leading them where they don't want to go. It's not comforting people about their current situation and reassuring them it will get better. It's telling them that the situation is likely to get worse and that only their efforts can

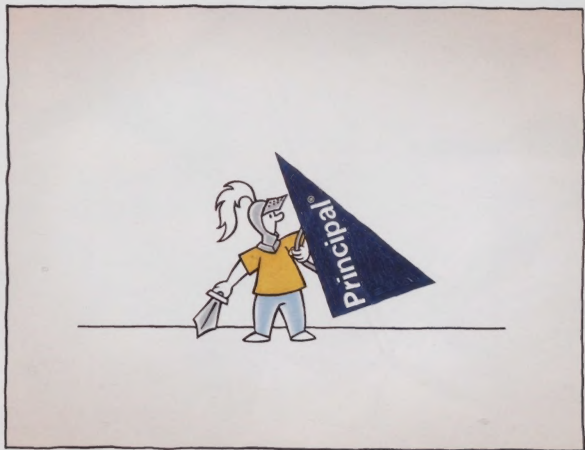
determine how soon it will start getting better. Astringent leadership is Churchill calling on Britons to "brace ourselves to our duties."

The effort required to address our current crisis is trivial compared with Britain repelling the Nazis. But the situation is getting more dire. Remember all the talk about how we have been "borrowing from future generations" with the federal deficit, consumer debt and so on? Well, it's been going on for more than a generation, and the future is now. There have been so many false alarms that maybe we can be forgiven for thinking this is another one. But no one is going to forgive those 100s.

A second desirable quality of leadership, especially now, is toxic even to mention for its allegedly elitist overtones: intelligence. Not necessarily anything as crude as raw IQ scores, though something closer to that than to the kind of mystical wisdom attributed to Ronald Reagan. Call it intellectual curiosity, perhaps, or a willingness to engage with complicated ideas. This financial crisis is extremely complicated. Surely the best and the brightest can screw up, as they famously did in Vietnam. But four decades later (and after eight years of George W. Bush), maybe we can agree that on balance it would be a plus to have a President who is smart. Maybe even really, really smart.

For example, I do not understand how this \$700 billion bailout we have all agreed to is supposed to work. Do you? Does Tom Brokaw? Do Obama and McCain? I suspect that one of them does and the other doesn't. But I don't know. I can't help thinking it would be nice to have a President who understands it. That's the kind of leader we want: one who could get us back to business as usual. ■





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